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Prospectus

Dated: January 25, 2024

Fixed Price Issue

Please read section 26 and 32 of the Companies Act, 2013



## ITALIAN EDIBLES LIMITED

(Formally Known as Italian Edibles Private Limited)

Corporate Identification Number: U15141MP2009PLC022797

Registered Office		Contact Person	Email and Telephone	Website
309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India		Ms. Sunila Kalra (Company Secretary & Compliance Officer)	Email: <a href="mailto:italian_edibles@yahoo.com">italian_edibles@yahoo.com</a> Tel No.: +91 9826298268	<a href="http://www.ofcoursegroup.com">www.ofcoursegroup.com</a>
<b>PROMOTERS OF OUR COMPANY: MR. AJAY MAKHIJA AND MR. AKSHAY MAKHIJA</b>				
<b>DETAILS OF ISSUE TO PUBLIC</b>				
Type	Fresh Issue Size	Total Issue Size	Eligibility 229(1) / (2) & Share Reservation among NII & RII	
Fresh Issue	39,20,000 Equity Shares at the Issue Price of Rs.68 each aggregating Rs 2665.60 Lakhs	39,20,000 Equity Shares at the Issue Price of Rs.68 each aggregating Rs 2665.60 Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations, as the Company's post issue paid up capital is more than Rs. 10.00 Cr.	
<b>RISKS IN RELATION TO THE FIRST ISSUE</b>				
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price of Rs. 68 is 6.8 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 76 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISK</b>				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to 'Risk Factors' on page 20 of this Prospectus.				
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.				
<b>LISTING</b>				
The Equity Shares offered through this Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("Emerge Platform of NSE"). For the purpose of the Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE").				
<b>LEAD MANAGER TO THE ISSUE</b>			<b>REGISTRAR TO THE ISSUE</b>	
				
<b>Name of the Lead Manager to the Issue</b>	<b>Name of Contact Person:</b>	<b>Name of the Registrar to the Issue</b>	<b>Name of Contact Person</b>	
<b>FIRST OVERSEAS CAPITAL LIMITED</b>	Mr. Rushabh Shroff/ Ms. Mala Soneji Tel No.: +91 22 40509999 Email: <a href="mailto:mb@focl.in">mb@focl.in</a>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b>	Mr. Vinayak Morbale Tel No.: +91 22 6263 8200 E-mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>	
<b>ISSUE PROGRAMME</b>				
<b>ISSUE OPENS ON: FEBRUARY 02, 2024; FRIDAY</b>			<b>ISSUE CLOSSES ON: FEBRUARY 07, 2024; WEDNESDAY</b>	



**ITALIAN EDIBLES LIMITED**  
(Formally Known as Italian Edibles Private Limited)  
Corporate Identification Number: U15141MP2009PLC022797

Our Company was originally incorporated as Italian Edibles Private Limited on December 16, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently, the name of the company was changed from "Italian Edibles Private Limited" to "Italian Edibles Limited" under The Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 06, 2023 and had obtained fresh certificate of incorporation dated September 21, 2023 issued by the Registrar of Companies, Gwalior. The CIN of the Company is U15141MP2009PLC022797. For details pertaining to the changes of name of our company and change in the registered office, please refer to the chapter titled 'History and Certain Corporate Matters' beginning on page no. 119 of this Prospectus.

**Registered Office:** 309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India; **Tel. No.:** +91 9826298268; **Email:** [italian\\_edibles@yahoo.com](mailto:italian_edibles@yahoo.com); **Website:** [www.ofcoursegroup.com](http://www.ofcoursegroup.com); **Contact Person:** Ms. Sunila Kalra, Company Secretary & Compliance Officer

<b>PROMOTERS OF OUR COMPANY: MR. AJAY MAKHIJA AND MR. AKSHAY MAKHIJA</b>	
INITIAL PUBLIC ISSUE OF 39,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF ITALIAN EDIBLES LIMITED ("OUR COMPANY" OR "THE ISSUER COMPANY") FOR CASH AT A PRICE RS. 68/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.58/- PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. 2665.60 LAKHS ("THE ISSUE"), OUT OF WHICH 2,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF RS. 68/- PER EQUITY SHARE, AGGREGATING TO RS. 136.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 37,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. 68/- PER EQUITY SHARE AGGREGATING TO RS. 2529.60 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53 % AND 25.17 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 225 OF THIS PROSPECTUS.	
<b>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 233 OF THE PROSPECTUS.</b>	
All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrelative bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 and Section 32 of the Companies Act, 2013. For details in this regard, specific attention is invited to "Issue Procedure" on page 233. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.	
<b>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF Rs. 68.00 IS 6.8 TIMES OF THE FACE VALUE</b>	
<b>RISKS IN RELATION TO THE FIRST ISSUE</b>	
This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.	
<b>GENERAL RISK</b>	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the statement of 'Risk Factors' given on page 20 under the section 'General Risks'.	
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
<b>LISTING</b>	
The Equity Shares offered through this Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("Emerge Platform of NSE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated January 12, 2024 from National Stock Exchange of India Limited ("NSE") for using its name in the offer document for listing of our shares on the Emerge Platform of NSE. For the purpose of the Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE"). A copy of Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of Companies Act, 2013.	
<b>LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>
	
<b>FIRST OVERSEAS CAPITAL LIMITED</b> 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India <b>Tel No.:</b> +91 22 4050 9999 <b>Email:</b> <a href="mailto:mb@focl.in">mb@focl.in</a> <b>Investor Grievance Email:</b> <a href="mailto:investorcomplaints@focl.in">investorcomplaints@focl.in</a> <b>Website:</b> <a href="http://www.focl.in">www.focl.in</a> <b>Contact Person:</b> Mr. Rushabh Shroff/ Ms. Mala Soneji <b>SEBI Registration No:</b> INM000003671	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai - 400 093, Maharashtra, India <b>Tel. No.:</b> +91 22 6263 8200 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Vinayak Morbale <b>SEBI Registration No.:</b> INR000001385
<b>ISSUE PROGRAMME</b>	
<b>ISSUE OPENS ON: FEBRUARY 02, 2024; FRIDAY</b>	<b>ISSUE CLOSES ON: FEBRUARY 07, 2024; WEDNESDAY</b>

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the chapters titled ‘Risk Factors’, ‘Statement of Tax Benefits’, ‘Industry Overview’, ‘Business Overview’, ‘Key Regulations and Policies in India’, ‘Restated Financial Statements’, ‘Outstanding Litigation and Material Developments’, ‘Issue Procedure’, and ‘Main Provisions of Articles of Association’ beginning on page nos. 20, 109, 84, 91, 108, 143, 199, 233, and 262 respectively, shall have the meanings ascribed to such terms in the respective sections.*

#### I. CONVENTIONAL / GENERAL TERMS

Italian Edibles Limited/ Italian Edibles /IEL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to Italian Edibles Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India
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TERM	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Articles / Articles of Association /AoA	Unless the context otherwise requires, refers to the Articles of Association of Italian Edibles Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015
Auditors/ Statutory Auditors/ Statutory Auditors of the Company	The Statutory & Tax Auditors of our Company, being M/s Maheshwari & Gupta, Chartered Accountant.
Board of Directors / Board / Director(s) / Our Board	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
Chief Executive Officer	Chief Executive Officer of our Company in this case being, Mr. Akshay Makhija
Chief Financial Officer	Chief Financial Officer of our Company in this case being, Mr. Satyanarayan Rawat
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company is Ms. Sunila Kalra
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares/ Shares	Equity Shares of our Company having a face value of Rs. 10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity shares of our Company unless otherwise specified in the context otherwise.
ESOP	Employee Stock Option
FV	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
Group Companies	In terms of SEBI ICDR Regulations, the term “Group Companies” includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under

<b>TERM</b>	<b>DESCRIPTION</b>
	the applicable accounting standards, and any other companies as considered material by our Board, such entities as are included in the Chapter in 'Our Promoter Group and Group Companies / Entities' beginning on page no. 135 of this Prospectus.
Independent Director	A non-executive and independent director of our Company appointed as per Section 149(6) the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. For details, please refer to the chapter titled "Our Management" beginning on page no. 123 of this Prospectus.
Key Managerial Personnel / KMP	The personnel are listed as Key Managerial Personnel our Company as per Section 2(51) of the Companies Act, 2013 and Regulation 2(bb) of the SEBI (ICDR), Regulation, 2018 and as identified in the chapter titled 'Our Management' beginning on page no. 123 of this Prospectus.
Managing Director	Managing Director of our Company in this case being, Mr. Ajay Makhija
Materiality Policy	The policy adopted by our Board on September 25, 2023 identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Non- Resident	A person resident outside India, as defined under FEMA Regulations.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, re- constituted on January 01, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in "Our Management" on page no. 123 of this Prospectus
NRI/Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	The Peer Review Auditors of our Company, being M/s Maheshwari & Gupta, Chartered Accountants
Promoter/ Promoters of our Company	Promoters of our Company are Mr. Ajay Makhija and Mr. Akshay Makhija
Promoter Companies/ Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter Companies/ Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed in 'Our Promoter Group And Group Companies / Entities' beginning on page 135 of this Prospectus.
Registered Office	The Registered Office of our Company which is located at 309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India
Registrar of Companies	3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009, Madhya Pradesh, India
Restated Financial Statements	The financial information of the Company which comprises of the restated financial statement of Assets and Liabilities, Profit and Loss and Cash Flows for the period ended August 31, 2023 and for the Financial Years March 31, 2023, 2022 and 2021 and the related notes, schedules and annexures thereto included in this Prospectus, which have been prepared in accordance with Section 133 of the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.
SME Exchange	Unless the context otherwise requires, refer to the Emerge Platform of National Stock Exchange of India Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "Our Management" beginning on page no. 123 of this Prospectus.
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations

## ISSUE RELATED TERMS

TERM	DESCRIPTION
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the issue to the successful Applicants.
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to this Issue to successful Applicants.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee`s	The successful applicant to whom the Equity Shares are/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Intermediary Collecting	<ol style="list-style-type: none"> <li>1) a SCSB, with whom the bank account to be blocked, is maintained.</li> <li>2) a syndicate member (or sub-syndicate member),</li> <li>3) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker"),</li> <li>4) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),</li> <li>5) a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Application Form	The form in terms of which the prospective Applicants shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by all applicants to make a Bid authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by RIIs using UPI Mechanism.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount.
ASBA Applicant(s)	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Draft Prospectus.
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled "General Information" beginning on page no. 45 of this Prospectus.
Banker(s) to the Issue/ Escrow Collection Bank(s)/Public Issue Bank/ Refund Banker	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Escrow Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue in consultation with the Stock Exchange which is described in the Chapter titled 'Issue Procedure' beginning on page 233 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker. the details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the NSE- <a href="http://www.nseindia.com">www.nseindia.com</a>
Business Day	Monday to Friday (except public holidays)

<b>TERM</b>	<b>DESCRIPTION</b>
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manage, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs
Demographic Details	The demographic details of the Applicants such as their Name, Address, Pan, Occupation, Applicant Status and Bank Account details and UPI (If applicable)
Depository/Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996, as Amended from time to time.
Designated CDP Location	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, Nikunj Stock Brokers Limited
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange/Emerge Platform of NSE /National Stock Exchange	Emerge Platform of the National Stock Exchange of India Limited (NSE EMERGE)

<b>TERM</b>	<b>DESCRIPTION</b>
Draft Prospectus	The Draft Prospectus dated October 12, 2023 issued in accordance with section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulation, 2018
Escrow Agreement	Agreement dated January 15, 2024 entered in to amongst our Company, Lead Manager and the Registrar, the Banker(s) to the Issue/ Escrow Collection Bank(s) for collection of the Application Amounts from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Reconstitutes an invitation to subscribe to the Equity Shares offered herein.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialized accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Issue/ Escrow Collection Bank(s) at which bank(s) the Escrow Account of our Company will be opened, in this case being [•].
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered to with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no.(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no.(SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM
Issue / Issue Size/ IPO/Initial Public Offering/Public Issue	Public Issue of 39,20,000 Equity Shares of Rs. 10/- each fully paid of Italian Edibles Limited (“the Company” or “the Issuer”) for cash at a price of Rs.68/- Per Equity Share aggregating to Rs. 2665.60 Lakhs. The Issue and The Net Issue will constitute 26.53% and 25.17% Respectively of the post issue paid up capital of the Company
Issue Agreement/ MoU	The agreement dated October 05, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.

TERM	DESCRIPTION
Issue Period	The Issue period shall be February 02, 2024; Friday being the Issue Opening Date, to February 07, 2024; Wednesday, being the Issue Closing Date.
Issue Closing Date	February 07, 2024; Wednesday, The Date on which Issue closes for subscription
Issue Opening Date	February 02, 2024; Friday The Date on which Issue opens for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs.68/- per equity share.
Issue Proceeds	The proceeds to be raised by our Company through Fresh Issue
LM / Lead Manager	Lead Manager to the Issue, in this case being First Overseas Capital Limited, SEBI Registered Category I Merchant Bankers.
Listing Agreement with Emerge Platform of NSE	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Emerge Platform of National Stock Exchange of India Limited
Lot Size	The Market lot and Trading lot for the Equity Share is 2,000 and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 share to the successful applicants
Market Making Agreement	Market Making Agreement dated January 16, 2024 between our Company, Lead Manager and Market Maker.
Market Maker/MM	Nikunj Stock Brokers Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved portion of 2,00,000 Equity Shares of Rs.10/- each at Rs.68/- Per Equity Shares aggregating to Rs.136.00 for Market Maker in the Initial Public Issue of Italian Edibles Limited.
Minimum Promoter Contribution	Aggregate of 20 % of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter which shall be provided towards minimum promoter of 20% and locked-in for a period of three years from the date of Allotment
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund(s)/ MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Net Proceeds	The Issue (excluding the Market Maker Reservation Portion) of 37,20,000 Equity Shares of Rs.10/- each of Italian Edibles Limited at Rs.68/- Per Equity Share aggregating to Rs.2,529.60 Lakhs.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Investors/ Applicants/NIIs	All Applicants (including Category III FPIs which are foreign corporate or foreign individuals but not including NRIs, other than eligible NRIs) that are not Qualified Institutional Buyers (QIBs) (including Anchor Investors or Retail Individual Applicants/Investors and who have applied for Equity Shares for an amount more than Rs.2,00,000.
Non-Indian Resident/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulation, as amended from time to time
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.

<b>TERM</b>	<b>DESCRIPTION</b>
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus dated January 25, 2024 to be filed with the ROC in accordance with Section 26 of the Companies Act, 2013 and SEBI (ICDR), Regulations containing inter alia, the Issue opening and Issue closing dates and other certain information
Public Issue Account	Account opened with Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	A Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI (ICDR), Regulations, 2018
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made
Refund Bank(s)	The Bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case HDFC Bank Limited
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals.
Registrar Agreement	The agreement dated October 05, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issue by SEBI
Registrar/ Registrar to the Issue	Registrar to this Issue being Bigshare Services Private Limited having a registered office at S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai - 400 093, Maharashtra, India
Retail Individual Investors/ RIIs	Individual investors, or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than or equal to Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Self-Certified Syndicate Banks/ SCSB	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
Emerge Platform of NSE	The Emerge Platform of NSE, i.e.; NSE Emerge for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time
Specified Locations	Centers where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push

TERM	DESCRIPTION
	the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being HDFC Bank Limited
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Specified Securities	Equity Shares are being offered through this Prospectus
Sponsor Banker	The Banker(s) registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Applicants into the UPI, in this case being HDFC Bank Limited
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters to the Issue	First Overseas Capital Limited and Nikunj Stock Brokers Limited
Underwriting Agreement	The Agreement dated January 16, 2024 entered into between the Underwriters and our Company.
Unified Payments Interface/ UPI	UPI is an instant payment system developed by the NPCI.
UPI Circulars/ SEBI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01,2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019,SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
UPI Application	Collectively, individual investors applying as Retail Individual Inventors in -the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI

TERM	DESCRIPTION
	application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	Willful Defaulter is defined under Regulation 2(1) (III) of SEBI (ICDR) Regulations, 2018, means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR), Regulations, 2018, working day means all days on which commercial banks in the city as specified in the offer document are open for business. <ul style="list-style-type: none"> <li>- However, till Application / Issue closing date: All days other than 2<sup>nd</sup> and 4<sup>th</sup> Saturday of the month, Sunday or a public holiday;</li> <li>- Post Application / Issue closing date and till the Listing of Equity Shares: Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016).</li> </ul>

#### ABBREVIATIONS

ABBREVIATIONS	FULL FORMS
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Funds as defined in and registered under SEBI AIF Regulations
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CST	Central Sales Tax
Contract Act	The Indian Contract Act, 1872 as amended from time to time
COVID-19	Coronavirus disease 2019
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity

ABBREVIATIONS	FULL FORMS
DB	Designated Branch
DTC	Direct Tax Code, 2013
EBIDTA	Earning/Revenues from operations (net) less total expenses (expenses other than finance cost, depreciation and amortization)
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII's	Foreign Institutional Investor, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2014, as amended from time to time and registered with the SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPI's	Foreign Portfolio Investor as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India
FTP	Foreign Trade Policy, 2009
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
GAAP	General Accepted Accounting Principles
GDP	Gross Domestic Product
GFSR	Global Financial Stability Report
GoI/ Government	Government of India
GST	Goods and Services Tax Act, 2017
HNI	High Net worth Individuals
HR	Human Resources
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
ICDR/ ICDR Regulations/ SEBI ICDR/ SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018 as amended, including instructions and clarifications issued by SEBI from time to time.
ICSI	Institute of Company Secretaries Of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST	Integrated GST
IMPS	Immediate Payment Service
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/Rs./Rupees/ `	Indian Rupees, the legal currency of the Republic of India
JV	Joint Ventures
Km	Kilometres
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
LM	Lead Manager
LMT	Lakh Metric Tonnes
Ltd	Limited

<b>ABBREVIATIONS</b>	<b>FULL FORMS</b>
MB	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
MD	Managing Director
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MICR	Magnetic Ink Character Recognition
Mkt.	Market
Mn	Million
MOA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSP	Minimum Support Price
N.A./n.a	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non- Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
No.	Number
NPCI	National payments Corporation of India
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI's	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PE	Private Equity
PE Ratio	Price/ Earning Ratio
PIO	Persons of Indian Origin
POA	Power of Attorney
PPE	Personal Protective Equipment
Pvt.	Private
Pvt. Ltd.	Private Limited
QFI	Qualified Foreign Investors
QIB	Qualified Institutional Buyers
RBI	The Reserve Bank of India
R & D	Research and Development
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act as amended from time to time
SEZ	Special Economic Zone

<b>ABBREVIATIONS</b>	<b>FULL FORMS</b>
SGST	State GST
SME	Small and Medium Enterprise
SSI Undertakings	Small Scale Industrial Undertakings
STT	Securities Transaction Tax
TIN	Tax Identification Number
TAN	Tax Deduction and Collection Account Number
TRS	Transaction Registration Slip
TNW	Total Net Worth
UIN	Unique Identification Number
u/s	Under Section
UPI	Unified Payment Interface
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
Venture Capital Fund(s)/ VCF(s)	Venture Capital Funds as defined and registered with SEBI under Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
VAT	Value Added Tax
WDV	Written Down Value
WEO	World Economic Outlook
w.e.f.	With Effect From
WTD	Whole Time Director
WTO	World Trade Organization
YoY	Year over year

#### **Explanation for KPI metrics**

<b>KPI</b>	<b>EXPLANATIONS</b>
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

#### **TECHNICAL/ INDUSTRY RELATED TERMS**

<b>TERM</b>	<b>DESCRIPTION</b>
FMCG	Fast-Moving Consumer Goods
GIS	Geographical Information Systems
MoRD	Ministry of Rural Development of the Government of India
MSP	Minimum Support Payment
PLI	Production Linked Incentive
SHGs	Self-Help Groups

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “**Italian Edibles Limited**” /or “Italian Edibles”, unless the context otherwise indicates or implies, refers to **Italian Edibles Limited**.

All references in this Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America. Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

### Financial Data

Unless stated otherwise, the financial data which is included in this Prospectus is derived from our restated audited financial statements for the period ended August 31, 2023 and for the Financial Years March 31, 2023, 2022 and 2021 prepared in accordance with Indian GAAP, Accounting Standards, the Companies Act, 2013 (Such provisions of the Companies Act, 1956 which were in force as on date) and restated financial statements of our company prepared in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Prospectus, and set out in the section titled ‘**Financial Statements**’ beginning on page no.143 of this Prospectus.

Our Financial Year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the following year, so all references to a particular Financial Year are to the (12) twelve-month period ended March 31<sup>st</sup> of that year. In this Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. Further, figure represented in the BRACKET or with the sign “-” indicates NEGATIVE data in this Prospectus in relation to our Company and Industries. There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapters titled ‘**Risk Factors**’, ‘**Business Overview**’ and ‘**Management's Discussion and Analysis of Financial Conditions and Results of Operations**’ beginning on page 20, 91 and 188, respectively, of this Prospectus and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations.

### Currency and Units of presentation

In this Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘Rs.’ or ‘INR’ or ‘₹’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word “Lakh/Lakhs or Lac” mean “One Hundred Thousand”, the word “Crore/Crores” means “Hundred Lakhs”, the word “Million (million) or Mn” means “Ten Lakhs”, the word “Crores” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”.

### Industry and Market Data

Unless stated otherwise, industry data used throughout this Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENT

All statements contained in this Prospectus that are not statements of historical facts constitute 'forward looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward- looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements can generally be identified by words or phrases such as "will", "may", "aim", "is likely to result", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include but are not limited to the followings:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to successfully implement our growth strategy and expansion plans, technological initiatives, and to launch and implement various products and business plans for which funds are being raised through this Issue;
- Our ability to respond to customers test and preferences;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain skilled personnel and the effect of wage pressures and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to manage our growth and to compete effectively, particularly in new markets and businesses;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled 'Risk Factors', 'Business Overview' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 20, 91 and 188, respectively of this Prospectus. Forward looking statements reflects views as of the date of this Prospectus and not a guarantee of future performance. By their nature, certain risk disclosures are only estimating and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our directors nor the Lead Managers, nor any of their respective affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II – SUMMARY OF THE ISSUE DOCUMENT

### Summary of our Business

Our Company was originally incorporated as Italian Edibles Private Limited on December 16, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently the name of the company was changed from “Italian Edibles Private Limited” to “Italian Edibles Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 06, 2023 and had obtained fresh certificate of incorporation September 21, 2023 issued by the Registrar of Companies, Gwalior. The CIN of the Company is U15141MP2009PLC022797.

Confectionery in a broader sense implies the preservation of sweet delicacy preparation in the form of candies, caramels, chocolate, processed cocoa and milk and traditional Indian confections. Keeping in mind the company’s mantra “Sharing is Everything” and “Delightful Creation and Boundless Joy”, our company has been manufacturing delicious mouthwatering confectionery products for the last 14 years.

Our confectionery products are sold under the brand name of “”. We offer a wide range of confectionery’s such as Rabdi [Meethai Sweet], Milk Paste, Chocolate Paste, Lollipops, Candies, Jelly Candies, Multi-Grain Puff Rolls, Fruit Based Products to our customers. India being a country with different cultures, many festivals and occasions, celebration with confectioneries plays a major role in those special occasions, festivals etc.

Our confectionery products are sold PAN India, majorly in rural and semi-urban areas of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerela, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal and through local wholesalers and distributors located in these areas. Our consumer segments largely include teenagers, young adults and children’s located in rural and semi-urban areas of India. Apart from selling our confectionery products within India, we also export to various countries such as Nigeria, Yemen, Sinegal and Sudan. As on August 31, 2023 our top customers include Chocolate World, Yuvraj Agency, Bakewell Biscuits Private Limited, R. K. Prabhavati Tarders, Mamta Stores, Ma Laxmi Traders, Suria Distributor etc. Also, one of our product, i.e., Jelly Candies are sold to Dharpal Premchand Ltd (BABA) group.

Over the years, we have developed a large pan-India distribution network. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

We have two operational manufacturing unit that is operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). Being strategically located in the industrial area, procurement and transportation of raw materials is easy, quick and cost effective. Our manufacturing unit are FSAAI, ISO 22000:2018 and FIEO certificated. Our in house manufacturing unit is well equipped with mixture of modern, fully-automated and semi-automated plant & machinery which enables us to manufacture our confectionery products in an effectively control manner and also ensure consistent quality while manufacturing the confectionery products. In addition, we manufacture range of products under the private labeling arrangement with our customers and is exclusively sold by third party. However, we do not have any collaboration with these companies. We sell our confectionery products in retail and wholesale packs. Lollipops, Candies, milk sweetmeat products are available in Pet Jars, polypacks and cardboard boxes.

Being in the confectionery market for 14 years has strengthen our confectionery product brands across India and Aboard and it has also enabled us to understand our target markets, consumer taste and preferences, product innovation capabilities, our ability to develop an effective business model with stringent quality control over processes, our distribution network and our marketing and promotional activities which has further led to establish our brand name further across India and Aboard.

For more information on our Company’s business, please refer to chapter titled “*Business Overview*” on page no. 91 of this Prospectus

### Summary of Our Industry:

The India confectionery market size reached INR 338.2 Billion in 2022. Looking forward, IMARC Group expects the market to reach INR 485.9 Billion by 2028, exhibiting a growth rate (CAGR) of 6.3% during 2023-2028.

Confectionery refers to a wide range of food products that are rich in sugar and other sweeteners. They are prepared by using several ingredients, such as stabilizers, emulsifiers, gelling, flavoring, and thickening agents, which assist in enhancing the texture, taste, appearance, and elasticity of products. Confectionery items commonly include chocolates and non-chocolate candies, such as gum, ice cream, frozen desserts, sweet baked goods, etc. These products are widely available across supermarkets, online platforms, retail shops, bakery stores, hypermarkets, etc.

For more details, please refer to chapter titled “Industry Overview” on page 84 of this Prospectus.

### Names of the Promoters

As on date of this Prospectus, our Promoters are Mr. Ajay Makhija and Mr. Akshay Makhija.

### Size of the Issue

This is the Fresh Issue of Equity Shares. Initial Public Offer is of 39,20,000 values of Rs.10 each of the Company for cash at a price of Rs.68.00 per Equity Share (including a share premium of Rs.58 per Equity Share) aggregating up to Rs.2,665.60 Lakhs.

### Objects of the Issue

The proposed utilization of the Gross Proceeds from the Fresh Issue is set forth below:

<b>(Rs. In Lakhs)</b>		
<b>Sr. No.</b>	<b>Objects of the Issue</b>	<b>IPO Proceeds</b>
1.	Setting up of the proposed manufacturing unit;	800.00
2.	Repayment of certain Borrowings	614.43
3.	To meet incremental working capital requirements	600.00
4.	General Corporate Expenses	571.17
5.	To meet the expenses of the Issue	80.00
	<b>Total</b>	<b>2665.60</b>

**Offer for Sale-**There is no Offer for Sale as Our Company is making only a Fresh Initial Public Offer/Issue.

For detailed information on the “Objects of the Issue”, please refer to chapter titled “Objects of the Issue” on page no. 66 of this Prospectus.

### Pre-Issue Shareholding of the Promoter and Promoter Group

The aggregate shareholding of Our Promoter and Promoter Group before the Issue is set forth below:

<b>Sr. No.</b>	<b>Name of the Shareholders</b>	<b>Pre-Issue</b>		<b>Post-Issue</b>	
		<b>No. of equity shares</b>	<b>As a % of Pre-Issued Capital</b>	<b>No. of equity shares</b>	<b>As a % of Post-Issue Capital</b>
<b>A</b>	<b>Promoter -</b>				
1	Mr. Ajay Makhija	52,92,862	48.75%	52,92,862	35.82%
2	Mr. Akshay Makhija	55,63,339	51.24%	55,63,339	37.65%
	<b>TOTAL (A)</b>	<b>1,08,56,201</b>	<b>99.99%</b>	<b>1,08,56,201</b>	<b>73.47%</b>
<b>B</b>	<b>Promoter Group</b>				
1	Mrs. Minakshi Makhja	190	Negligible	190	Negligible
2	Mrs. Anjali Makhija	190	Negligible	190	Negligible
3	Ms. Nishma Vaswani	190	Negligible	190	Negligible
4	Mr. Sudhir Vaswani	190	Negligible	190	Negligible
5	Mr. Jatin Vaswani	190	Negligible	190	Negligible
	<b>TOTAL (B)</b>	<b>950</b>	<b>Negligible</b>	<b>950</b>	<b>Negligible</b>

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Pre-Issued Capital	No. of equity shares	As a % of Post-Issue Capital
C	TOTAL (A+B)	1,08,57,151	100.00	1,08,57,151	73.47

For further details relating to the allotment of Equity Shares to our Promoters and Promoter Group members, please refer to the chapter titled '*Capital Structure*' beginning on page no. 54 of this Prospectus.

### Financial Information

The following tables set forth details the financial information as per the Restated Financial Statements for the period ended August 31, 2023 and for the financial year ended on March 31, 2023, 2022 and 2021.

(Rs. in Lakhs)

Particulars	For the period ended August 31, 2023	As at March 31,		
		2023	2022	2021
Share Capital	1,085.72	171.43	171.43	150.00
Net Worth	1,287.92	1,078.24	814.03	583.82
Total Revenue	3,052.16	6,330.09	7,545.25	4,899.44
Profit after Tax	209.68	264.21	80.21	86.52
EPS (in Rs.)- Basis & Diluted	1.93	2.43	0.75	0.81
NAV per equity share (in Rs.)	11.86	62.90	47.49	38.92

For detail information, please refer to the chapters and notes mentioned therein titled '*Restated Financial Statement*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page no. 143 and 188 respectively of this Prospectus.

### Auditors' Qualifications which have not been given effect to in the Restated Financial Statements

Independent Auditor's Report on Restated Financial Statements is issued by M/S Maheshwari & Gupta, Chartered Accountants, Mumbai contains following Qualifications.

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

### Summary of the Outstanding Litigations

For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Companies, please refer chapters titled "Outstanding Litigation and Material Developments" and "Risk Factors" on page no. 199 and 20, respectively, of this Prospectus.

### Risk Factors

An investment in the Equity Shares involves a high degree of risk. Potential Investors should carefully consider all the information in this Prospectus and are advised to read the section titled "Risk Factors" beginning on page no. 20 of this Prospectus, including the risks and uncertainties, before making/taking an investment decision in our Equity Shares.

In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described in the said chapter are relevant to the industries our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries.

For further details, please refer to the Section titled "Risk Factors" beginning from page no. 20 of this Prospectus.

### Summary of Contingent Liabilities

For detailed information on the Contingent Liabilities on our Company, please refer "*Annexure 38: Statement of Contingent Liabilities*" appearing on page no.168 of this Prospectus under Chapter titled "*Restated Financial Information*" beginning on Page no. 143 of this Prospectus.

## Summary of Related Party Transactions

For detailed information on the Related Party Transaction on our Company, please refer “*Annexure 35: Statement of details of Related Party Transactions*” appearing on page no.174 of this Prospectus under Chapter titled “*Restated Financial Information*” beginning on Page no. 143 of this Prospectus.

## Details of Financing Arrangements

The Promoters, member of Promoter Group, the Directors of the Company which a Promoter of the Issuer, the Director of our company and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus.

## Cost of Acquisition of Shares & Weighted Average Cost of the Shares Acquired by our Promoters

The weighted average price of the equity shares acquired by our Promoter within last one (1) year from the date of filing of this Prospectus are set forth below:

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Mr. Ajay Makhija	44,57,147	Negligible*
Mr. Akshay Makhija	46,84,767	Negligible#

\*Cost of acquisition of 44,57,147 equity shares is negligible as the shares allotted are bonus shares with Nil cost of acquisition.

#cost of acquisition of 46,84,767 equity shares is Negligible as the shares allotted are Transferred and are bonus shares. For further details, please refer to the chapter titled “*Capital Structure*” on page 54 of this Prospectus.

## Average Cost of Acquisition of Shares

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Mr. Ajay Makhija	52,92,862	2.39
Mr. Akshay Makhija	55,63,339	2.73

## Pre-IPO Placement

Our Company has not placed any Pre-IPO Placement as on date of filing this Prospectus.

## Equity Shares issued for Consideration Other Than Cash

Except as disclosed below, our Company has not issued any other equity shares for consideration other than cash during last one year preceding the date of filing this Prospectus.

Date of allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature / Reason of Allotment	Nature of Consideration
03-08-2023	91,42,864	10	Nil	Bonus Issue Ratio of 3:16	Other than cash

## Split / Consolidation of Equity Shares

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of filing this Prospectus.

## Exemption from complying with any provisions of Securities Laws, if any, Granted by SEBI

Our Company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

### SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 91 and 188 respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Financial Statements' on page 143 of this Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.

This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

#### **Materiality**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

#### **INTERNAL RISK FACTORS**

1. ***There are certain outstanding legal proceeding involving our Company, our Promoters and Our Directors which may adversely affect our business, financial condition and results of operations.***

There are certain proceedings pending at different levels of adjudication before various authorities, enquiry officers and appellate forums. Such proceedings could divert management time, attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company, Our Promoters and Our Directors as disclosed in this Prospectus, to the extent quantifiable, have been set out below:

(in Rs)		
Nature of cases	Number of cases	Amount Involved
<b><i>Litigation involving our Company</i></b>		
Civil Cases filed against the Company	1	40,00,000/-
Civil Cases filed by the Company	Nil	Nil
Criminal cases against the company	Nil	Nil
Criminal cases filed by the company	Nil	Nil
Outstanding actions by regulatory and statutory authorities	Nil	Nil
Tax related matters	11	80,00,875/-
<b><i>Litigation involving our Promoters</i></b>		
Civil Cases filed against the Promoters	1	40,00,000/-

<b>Nature of cases</b>	<b>Number of cases</b>	<b>Amount Involved</b>
Civil Cases filed by the Promoters	Nil	Nil
Criminal cases against the Promoters	Nil	Nil
Criminal cases filed by the Promoters	Nil	Nil
Outstanding actions by regulatory and statutory authorities	Nil	Nil
Tax related matters	5	4,18,961/-
<b><i>Litigation involving our Directors</i></b>		
Civil Cases filed against the Directors	1	40,00,000/-
Civil Cases filed by the Directors	Nil	Nil
Criminal cases against the Directors	Nil	Nil
Criminal cases filed by the Directors	Nil	Nil
Outstanding actions by regulatory and statutory authorities	Nil	Nil
Tax related matters	5	4,18,961/-

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

*For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 199 of this Prospectus.*

**2. We intend to use a portion of the Net Proceeds to prepay / repay certain loan facilities.**

One of the objects of the Issue is the pre-payment / repayment of certain loan facilities, in full or in part, availed by our Company. Our Company intends to utilise an amount of up to Rs. 614.43 Lakhs from the Net Proceeds, constituting 23.05 % of the total Fresh Issue Size, towards the prepayment / repayment of these loan facilities. For details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution, see "Objects of the Issue – Details of the Objects – Repayment of certain borrowings" on page no. 66 of this Prospectus. The amount utilized to prepay / repay these loans will, therefore, not be available for investment in our business and will not result in any immediate increase in the value of your investment in our Equity Shares.

**3. We propose to utilize a portion of our Net Proceeds towards setting up of manufacturing unit in Tillor Khurdh area in Indore district, Madhya Pradesh.**

As on date of filing this Prospectus, we have two operational manufacturing units that are operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). For details on our manufacturing units, please refer to "Our Manufacturing and Storage facilities" on page no. 56 of the Prospectus. Our Company is proposing to shift both its existing manufacturing units including the warehouse and registered office to the proposed manufacturing unit to be located at Tillor Khurdh area in Indore district, Madhya Pradesh which shall be owned by our company.

As per M/s Athak Mahajan, Engineering & Construction, Civil cum Structural Engineer's report, total estimated cost for setting up the proposed manufacturing unit is Rs. 961.00 Lakhs. Our Company proposes to deploy an amount of Rs. 800.00 Lakhs from the Net Proceeds towards setting up of the proposed manufacturing unit in Tillor Khurdh area in Indore district, Madhya Pradesh that is proposed to be operative from Fiscal 2025. For details, please refer to "Setting up of proposed Manufacturing Unit" beginning on page no. 58 of the Prospectus.

Further, we have obtained the quotation purchasing the major plant and machinery. However, we are yet to place final orders for 100% of plant and machinery and are yet to complete the purchase of land. Further, we are yet to apply for requisite government approvals for the proposed manufacturing unit. We have not entered into any definitive agreements to utilize the Net Proceeds of the Issue and have relied on the quotations received from third parties and Civil cum Structural Engineer's Report for estimation of the costs. Our Company, depending on various factors, will finalise the suppliers for the proposed manufacturing unit which may not be the same from whom the quotations were obtained. While we have obtained the quotations from various vendors in relation to the plant and machinery and building and civil works, most of these quotations are valid for a certain period of time and may be

subject to revisions. We cannot assure that we will be able to procure land, plant, machinery and equipment as well as undertake building and civil works within the cost indicated by such quotations and set up a manufacturing unit as scheduled. Any time and cost overrun due to our failure to purchase plant and machinery within our budget could adversely impact our financial condition temporarily and also delay our growth prospects.

Our expansion plan may be subject to delays and other risks such as unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope, etc. Additionally, we may face risks in commissioning the proposed manufacturing unit including but not limited to, delays in the civil constructions, problems with its facilities or for other reasons. If our proposed manufacturing unit does not function as efficiently as intended or utilisation is not optimal, we may not be able to fulfil additional orders to generate anticipated or desired revenue as projected. Further, we cannot assure that we will be able to utilize our proposed manufacturing unit to its full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits and may adversely affect our business, results of operations and financial condition.

While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For details, please refer to the chapter titled “Objects of Issue” beginning on page no. 54 of the Prospectus.

**4. *If we are unable to attract new clients or retain our existing clients or default in payments, the growth of our business and cash flows will be adversely affected.***

Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition. However, our top 10 customers contributed 30.84%, 26.32%, 26.14% and 28.29% of our revenues from operations for the period ended August 31, 2023 and for the year ended March 31, 2023, 2022 and 2021, respectively. To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient sales leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to repeat contracts / new projects to us due to various factors including clients satisfaction with our services, collection of data and information as desired by our clients, our prices and the prices of competing service providers. If we fail to achieve repetitive projects from existing clients or to add new clients, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

**5. *We are dependent upon few suppliers for the material requirements of our business. Further, we do not have definitive agreements or fixed terms of trade with most of our suppliers. Failure to successfully leverage our relationships with existing suppliers or to identify new suppliers could adversely affect our business operations.***

Our top 10 suppliers contributed 65.10%, 53.40%, 41.57% and 35.00% of our revenues from operations for the period ended August 31, 2023 and for the year ended March 31, 2023, 2022 and 2021, respectively. In our industry, generally there are no definitive agreements with the suppliers of the products we sell. We also do not have any long-term supply agreements with our suppliers or distributors and we procure our products on a purchase order basis. Since there are no fixed terms of trade, the discounts and schemes for our customers are decided based on the negotiation skills of the procurement team. If we are unable to continue to procure supplies at competitive prices, our margins and business will be adversely affected. Any problems faced by our supplier resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer’s requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

**6. *Our Company’s business operations are done PAN India specifically from Central India, Northern India, Western India and any downturn and/ or any economic, regulatory, social and political change in any of the Indian states in which we operate or seek to operate may affect our market share and/ or may adversely affect our business, financial condition and results of operations.***

Our Company conducts its business operations on PAN India bases. Majority of our confessionary products are sold in Central India, Northern India, Western India, particularly in state of Uttar Pradesh, Madhya Pradesh, Bihar and Gujarat. Any occurrence of change in the customers taste and preference and/ or any other contingencies, we may not be able to effectively sell our products in these markets and as a result our revenues and profitability may be adversely affected. This concentration of our business sales and revenues from Central India, Northern India and Western India, subjects us to various risks including but not limited to the risks such as reduction in the demand for our confessionary products change in customers test and preferences, entry of any other competitors, economic slowdown in Central India, Northern India and Western India, regional natural disasters, political discord or riots in the region where our products are sold, constraints on our ability to diversify across states and perception by our potential clients etc. Further, any failure in expanding our revenue sources from the existing markets in which we operate may lead to loss of opportunity in earning higher revenues thereby effecting our growth, business, results of operations and financial condition.

**7. *We have working capital requirements. If we experience insufficient cash flows to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our Trade Receivables for the period ended August 31, 2023 and for the financial year ended March 31, 2023, March 31, 2022, March 31, 2021 were Rs. 919.83 Lakhs, Rs. 723.44 Lakhs, Rs. 777.46 Lakhs and Rs. 759.29 Lakhs respectively and our inventories for the period ended August 31, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 were Rs. 2866.84 Lakhs, Rs. 2473.70 Lakhs, Rs. 2048.58 Lakhs and Rs. 1733.58 Lakhs respectively.

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

For further details of working capital requirements, please refer to the chapter titled "*Objects of the Issue*" on page 66 of the Prospectus.

**8. *Our business involves usage of manpower and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.***

Our business involves usage of manpower and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. We may not be able to secure the required number of labourers required for the timely execution of our functions for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates. We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations. Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

**9. Any contamination or deterioration of our confectionery products could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance.**

We are subject to various contamination related risks which typically affect our food products, including risks posed by the following:

- product tampering;
- low shelf life of certain of our products;
- ineffective storage of finished goods as well as raw materials;
- product labelling errors;
- non-maintenance of high food safety standards;
- contamination of our products during processing; and
- wastage of certain products during transportation.

The risk of contamination or deterioration of our products exists at each stage of the life cycle of our products such as sourcing of raw materials, production and delivery of the final products. Sourcing, storage and delivery of the raw materials poses significant risk in relation to contamination and deterioration in quality. Packaging, storage and delivery of our products to our consumers and the storage and shelving of our products until final consumption by consumers are also subject to such contamination and deterioration risks. While we follow stringent quality control processes and quality standards at each stage of the production cycle such as conducting sampling tests to ensure that the colour, odour, taste, appearance and nutrients of the raw materials, comply with our requirements or regulatory requirements or standards set by our consumers in the export markets, maintain our facilities and machinery, and conduct our manufacturing operations in compliance with applicable food safety standards, laws and regulations and our own internal policies, and though we have, in the past, not materially suffered due to any of the aforementioned, we cannot assure that our products will not be contaminated or suffer deterioration in the future. We cannot assure that contamination and deterioration of our products or raw materials will not occur during the transportation, and distribution due to ineffective storage facilities or any other reasons including factors unknown to us or beyond our control. If our products or raw materials are found to be amongst others, spoiled, contaminated, adulterated, tampered with, incorrectly labelled or reported to be associated with any such incidents, we may be forced to recall our products from the market and we could incur criminal or civil liability for any adverse medical condition or other damage resulting from consumption of such products by consumers which we may not be able to fully recover from our suppliers or insurance coverages. We may also be subject to liabilities arising out of such violations under the provisions of the Food Safety and Standards Act, 2006 (“FSS Act”) along with relevant rules and regulations. Though, we have not been subject to such incidents in the past, however, we may be subject to such an event in the future, which may have a material adverse effect on our reputation, business and financial condition.

**10. Our business is primarily dependent upon a continuing relationship with dealers/ distributors for sales of our products. Any reduction or interruption in the business of these dealers/ distributors, or a substantial decrease in orders placed by these dealers/distributors may have an adverse impact on the revenues and operations of our Company.**

We are primarily dependent on dealers/distributors for our business. We have over the years developed a network of distributors and dealers across India and Aboard. Our confectionery products are sold PAN India, majorly in rural and semi-urban areas through local wholesalers and distributors located in these areas and through merchant exports Aboard. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

Further, we have entered into any agreement for the sale and distribution of our products with major our Suppliers and distributors. However, with rest of the Suppliers and distributors, we sell our products on as and when orders are placed by the Suppliers and distributors. There is no assurance that we will be able to maintain the same levels of business from our existing suppliers/ dealers/ distributors or that we will be able to replace our suppliers/ dealers/ distributors base in a timely manner or at all in the event our existing suppliers/ dealers/ distributors do not continue to purchase the products of our Company. The loss of or interruption of work by, a significant number of suppliers/ dealers/ distributors may have an adverse effect on our revenues and operations.

While we believe that our relationship with these parties has been satisfactory, there is no assurance that they will not place orders with other players in the market. In addition, our dealers and distributors could change their business practices and their payment terms. In an event our dealers and distributors experience delays in placing orders with us or if they do not effectively market our products or market the products of our competitors instead, there could be a material adverse effect on our business forecast, business growth and prospects, financial condition and results of operations.

In addition, our dealers and distributors could change their business practices, such as inventory levels or line of businesses. The inability of our dealers/distributors to meet our payment schedules or unexpected changes in inventory levels or other practices by our dealers/distributors could negatively impact our business, operating cash flows and financial condition. Our inability to maintain our existing distribution network of dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities/capacities, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition.

***11. Our inability to identify and understand evolving industry trends and consumer taste and preferences, and to develop new products to meet our customers' demands may adversely affect our business.***

Changes in consumer taste preferences and industry requirements may render certain of confectionery products less attractive. Our ability to anticipate to successfully develop and introduce new and enhanced products to create new or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary knowledge, through our own research and development or through technical assistance, that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

To compete successfully, we may need to increase the diversity and sophistication of our product portfolio, which may require substantial capital expenditure. In developing such products, we may need to make investments in our manufacturing facilities and/or otherwise in order to support these goods. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financing, we may have to delay our projects which could make us less competitive and lead to customer loss. If we do not continue to distinguish our products through distinctive features and design, and to continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline.

***12. Any failure to maintain effective quality control systems for our supply chain could have a material adverse effect on our business, reputation, results of operations and financial condition.***

The quality and safety of the product we manufacture is critical to our success. Maintaining consistent product quality and preventing food contamination and other health hazards depends significantly on the effectiveness of the quality control systems, policies and guidelines that our suppliers have in place, which in turn depends on a number of factors, including the design of the quality control systems and employee implementation and compliance with those quality control systems. There can be no assurance that the quality control systems that our suppliers have in place will prove to be effective. Any significant failure or deterioration of these quality control systems could have a material adverse effect on our business, reputation, results of operations and financial condition and can cause negative publicity that can affect our brand. We could also be subject to civil and/or criminal liability and other regulatory consequences in the event that a health hazard were to be found at our manufacturing place as a result of a failure of the quality control systems that our suppliers have in place, including the spread of any infection or disease. We may be the subject of public interest litigation in India relating to allegations of such hazards, as well as in cases having potential criminal and civil liability filed by regulatory authorities. If such cases are determined against us, there could be an adverse effect on our reputation, business, results of operations and financial condition.

***13. We are dependent on the adequate and timely delivery of quality ingredients, packaging materials and other necessary supplies and if our suppliers fail to provide us with sufficient quality and quantities of ingredients,***

***packaging materials and other necessary supplies, our business, results of operations and financial condition could be adversely affected.***

Our operations are dependent on adequate and timely deliveries of quality ingredients, packaging materials and other necessary supplies that meet our requirements. We depend substantially on approved suppliers from which we purchase ingredients and packaging materials. A failure of our suppliers to provide us with sufficient quantities of ingredients and packaging materials of adequate quality meeting our standards on a timely basis as a result of shortages, interruptions in their own supplies, such as those that could be caused by weather or other conditions, or their failure to retain their certification or otherwise could result in a disruption or delay in supply of the ingredients, packaging materials and other necessary supplies that we require for our products. Although we generally believe there are sufficient numbers of alternative suppliers for our ingredients and packaging materials, shortages or other industry-wide disruptions could occur and we may not be able to obtain replacement ingredients or packaging materials of adequate quality or sufficient quantity on commercially agreeable terms in the open market, which could require us to incur additional cost, which could have an adverse effect on our business, results of operations and financial condition. Most ingredients used in our products are subject to price fluctuations as a result of inflation, seasonality, global supply and demand, weather conditions, demand in local and international markets, fluctuations in currency exchange rates and tax incentives and other factors. We have no control over fluctuations in the price and availability of ingredients, packaging materials or variations in products caused by these factors and they could impact the prices imposed by our suppliers, making the cost of ingredients or packaging materials more expensive for us and increase the prices of our products for our customers, which may reduce demand and therefore affect our overall financial performance. Any increases in the cost of ingredients or packaging materials and other costs including manufacturing cost could have a material adverse effect on our business, results of operations and financial condition. We have no control over fluctuations in the price and availability of ingredients caused by these factors. Although we engage in long-term contracting and undertake other measures to counter act fluctuations in the price of our ingredients and packaging materials, there can be no assurance that we can completely budget for or predict any changes in these prices, which may increase the risk to our business and adversely affect our business, results of operations and financial condition.

***14. Major fraud lapses of internal control or system failures could adversely impact the company's business.***

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

***15. The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

All the products that we manufacture are for human consumption and are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. Although all our raw materials and finished products are extensively tested at our facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Also certain of our raw materials and our products are required to be stored, handled and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. We cannot assure you that we will not be subject to such product liability claims in the future and we currently carry no products liability insurance with respect to our products. Should any of our products be perceived or found to be contaminated, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

***16. Our business is dependent on our manufacturing units and we are subject to certain risks in our manufacturing process. Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

We have two operational manufacturing units that are operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). Our business is dependent upon our ability to manage our manufacturing units, which is subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe climate conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair breakdown of machinery in a timely manner or at all, our operations may need to be suspended until we procure new machinery to replace the same. Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations. Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or underutilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

***17. An inability to comply with food safety laws, environmental laws and other applicable regulations in relation to our manufacturing units may adversely affect our business, financial condition and results of operations.***

Our day-to-day manufacturing operations are subject to a wide range of health, safety, and environmental laws and regulations. Compliance with these laws and regulations is essential to ensure the well-being of our employees, protect the environment, and maintain our business operations. Violations of these laws and regulations can lead to fines, penalties, or litigation, which may have adverse effects on our business, financial condition, and results of operations. Our manufacturing unit are FSAAI, ISO 22000:2018 and FIEO certificated. Non-compliance with licensing requirements or operating without a license under the Food Safety and Standards Act can result in punishable offenses and fines. To remain compliant with applicable laws and regulations, we may need to modify our operations or make capital improvements in the future. This could involve investing in new equipment or technologies, implementing additional safety measures, or making changes to our manufacturing processes. These modifications may require financial resources and could impact our operational efficiency. In addition to food safety regulations, we are also subject to laws and government regulations related to safety, health, and environmental protection. These include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974, and other regulations established by the Ministry of Environment and the pollution control boards of MP. Compliance with these environmental protection laws and regulations is crucial to minimize the impact of our operations on air and water quality, as well as to protect ecosystems and public health. Failure to comply with these laws could result in penalties, legal actions, or reputational damage. We recognize the importance of adhering to health, safety, and environmental regulations and strive to maintain a culture of compliance within our organization. We have implemented processes and procedures to ensure ongoing compliance with applicable laws and regulations. Regular monitoring, training, and internal audits are conducted to identify and address any areas of noncompliance. Any non-compliance or failure to adapt to evolving regulatory requirements could have negative consequences on our business operations, financial condition, and results of operations.

***18. We rely on third-party transportation providers for both procurement of our raw materials and distribution of our products. Any failure by any of our transportation providers to deliver our raw materials or our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.***

We depend on various forms of transportation to either receive raw materials for our manufacturing purposes or to deliver the finished products to our, distributors and other parties, including for export sales. For these purposes, we typically use third-party transportation providers. Further, we undertake our export activities from Mundra

(Gujarat) and Navasheva (Maharashtra) Port, to which our products are delivered primarily through road transport from our manufacturing facilities and thereafter exported. We are therefore significantly dependent on transportation and logistics companies that we engage with.

The disruption of transportation services due to natural factors such as weather conditions particularly during monsoon or flood seasons, or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factor that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our distributors and their ability to deliver products to the end retailer in a timely manner, which may adversely affect our sale of food products. Such raw materials and our products may be lost, damaged or deteriorated and contaminated due to improper handling, negligence, transport strike or accidents or any other force majeure events which may not be within our control. Additionally, if we lose one or more of our third-party transportation providers, there can be no assurance that we will be able to find new or alternative third-party transportation providers at all, or at terms as favourable as those which we have in force with our current partners.

Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy. There can be no assurance that we will receive compensation for any such claims in full amount in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition and results of operations.

**19. We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.**

As on August 31, 2023, we had Contingent Liability of Rs. 84.2 Lakhs for which no provision had been made. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. Details of Contingent Liabilities and commitments are as follows:

<b>(Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>As on August 31, 2023</b>	<b>As on March 31, 2023</b>	<b>As on March 31, 2022</b>	<b>As on March 31, 2021</b>
Income Tax Demand	80.89	80.89	80.89	80.89
TDS Demand	3.31	3.31	3.30	3.27

For details of the contingent liabilities of our Company, please refer to “*Annexure 33: Restated Contingent Liabilities*” page no. 168 under section “Restated Financial Statements” beginning on page no. 143 and chapter titled “Outstanding Litigations and Material Developments” beginning on page no. 199 of this Prospectus.

**20. Unsecured loans taken by our Company can be recalled by the lenders at any time.**

Our Company has currently availed unsecured loans from certain lenders. These loans may be recalled by the lenders at any time. In the event that, any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company’s liquidity. If we are unable to procure such financing, we may not have adequate working capital to maintain the desired inventory level. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, see “Financial Indebtedness” on page 198 of this Prospectus.

**21. We may be able to sufficiently protect, or continue our intellectual property and other proprietary rights.**

We have various trademarks with Registrar of Trademarks, Mumbai. For further details, please see “Government and Other Statutory Approvals” beginning on page 58 of this Prospectus. We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be opposed or otherwise challenged. While we endeavour to ensure that we comply with the intellectual property rights, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties. Any claims of infringement, regardless of merit or resolution of such claims, could

force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management away from our business.

**22. *Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As on August 31, 2023, our total outstanding indebtedness was Rs. 1895.47 Lakhs which includes secured and unsecured borrowings. For details on our borrowings, please refer to chapter titles “Financial Indebtedness” beginning from page no. 198 of this Prospectus. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our businesses. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things, but not limited to effecting any change in the management/Board of the Company, declaration of dividend, capital structure of the Company; undertake any new project, implement any scheme of expansion or acquire fixed assets, enter into borrowing arrangement either secured or unsecured with any other bank/financial institution/Company or otherwise, formulate any scheme of amalgamation, acquisition, merger, or reconstruction etc. We have received No Objection Certificate (NOC) for our proposed Initial Public offer from all our lenders. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In an event, Lenders delay in granting their NOC, it will delay our proposed Initial public offering which may delay our Schedule of Implementations and consequently impact our functioning to that extent.

Additionally, our financing agreements are secured by our movable, immovable or intangible assets (whether existing or future), goods and work-in-progress (whether existing or future) and by personal guarantees of our Promoter. Such financing agreements enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, ownership interest of the existing shareholders in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost. If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

**23. *Our inability to handle risks associated with our export sales could negatively affect our sales to customers in foreign countries, as well as our operations and assets in such countries, and our overall profitability.***

Our revenue from exports for the period ended August 31, 2023 and for the fiscal 2023, fiscal 2022, fiscal 2021 was Rs. 142.35 lakhs, Rs. 337.56 lakhs and Rs. 233.59 lakhs respectively which constituted 4.66%, 5.34%, 4.82% and 4.78% of our revenue from operations for the respective fiscal. We export our products to countries such as Nigeria, Sudan, Yemen and Sinegal.

Our international operations are subject to risks that are specific to each country and region (especially Africa & Middle East) in which we operate, as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Change in demand for our products by our customers located outside India;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from production or delivery of our products to our customers;
- environmental, health, safety, labour and accounting laws;
- changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;
- fluctuations in foreign currency exchange rates.

- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations.

In addition, we may not perform as expected in our international markets, because our competitors and the established players in these markets may have a more established presence and have more experience in operating in such market, which could allow them to have better relationships with distributors and consumers, gain early access to information regarding attractive sales opportunities and, in general, be better placed to launch products with other advantages of being a first mover.

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

Our Company has entered into related party transactions with our Promoters, Directors, Promoter group members in the past. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Ind AS 24 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For details, please refer to the "Annexure 35-Related Party Transaction" on page no. 174 under chapter titled "Restated Financial Statement" on page 143 of this Prospectus.

**25. *Our insurance coverage may not be adequate.***

Our Company has obtained insurance coverage in respect of certain risks. For further details in relation to our Insurance, please refer to the section titled – Insurance in the chapter titled “Our Business” beginning on page 101 of this Prospectus. The insurance policies are renewed periodically to ensure that the coverage is adequate, however, our insurance policies do not cover all risks. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled “Our Business” beginning on page 91 of this Prospectus.

**26. *We do not own the premises in which our registered office and manufacturing units and warehouse are located and the same are on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.***

Our registered office, both our manufacturing units and warehouse are on leased and our Company has entered into an agreement with Lessors for leasing the said premises. For details, please refer to “Our Business Overview-Our immovable properties” page no. 108 of this Prospectus. Our business operations are also conducted from the said premises. As per the lease agreement, if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions, the lease may result in the termination of the lease agreement and consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the lease agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations. In case, we may have to re-locate to another premise and/or agree to pay the extra amount for using the same premises. Increase in lease structure will lead to increase of our expenditure which in turn may affect our revenue and increase of operational cost. Also, searching for the suitable location, setting the branch from the scratch and relocating the inventory from location to another, may lead to loss of clients, reduction in sales thereby affecting our profitability.

**27. *Our Company had negative cash flow from certain activity in recent fiscals, details of which are given below.***

Sustained negative cash flow could adversely impact our business, financial condition and results of operations. The detailed break up of cash flows is summarized in below table and our Company has reported negative cash flow from operating activity in the financial years is as mentioned below, which could affect our business and growth:

(Rs. In lakhs)

Particulars	August 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash flow from operating activities	123.40	580.31	(138.13)	318.63
Net cash flow from investing activities	(134.93)	(111.81)	(41.60)	(220.88)
Net cash flow from financing activities	13.35	(476.63)	(394.43)	436.90

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further, details please refer to the section titled “Financial Statements” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no. 143 and page no. 188 respectively, of this Prospectus.

**28. Our Company has allotted Equity Shares during the preceding one year from the date of the Prospectus which are lower than the Issue Price.**

Our Company has allotted the following Equity Shares during the preceding one year from the date of the Prospectus which are lower than the Issue Price:

Date of allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature / Reason of Allotment
August 03, 2023	91,42,864	10	-	Bonus Issue in the ratio 3:16

For Further details of equity shares issued, please refer to the section titled “Capital Structure” beginning on page no. 54 of this Prospectus.

**29. Our Promoter Group Entities have objects similar to our Company. There are no non- compete agreements between our Company and such Promoter Group Entities. We cannot assure that our Promoter will not favor the interests of such entity over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Promoter Group Entity Nutrabella Foods LLP (Partnership Firm) have objects similar to our Company. We have not entered into any non-compete agreement with the said entities. We cannot assure that our Promoter/ Promoter Group who has common interest in said entities will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/ customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**30. We are dependent on a number of key employees, including our senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.**

Our performance depends largely on the efforts and abilities of our senior management and other senior management, including our present officers who have creative minds, specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to retain experienced staff members as well as senior management will in part depend on our maintaining appropriate staff remuneration and incentive schemes in accordance with then prevailing private sector industry standards. We cannot assure you that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees.

**31. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on pages 54 and 123, respectively, of this Prospectus.

**32. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have an adverse effect on our business.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained all permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, see section on “Government and Other Approvals” beginning on page 205 of this Prospectus.

**33. *We operate in highly competitive markets, and some of our competitors may allow them to compete more effectively than we can, which could result in a loss of our market share and a decrease in our net revenues and profitability.***

The industry in which the Company operates is highly fragmented as there is competition from various organized and unorganized players which may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The domestic segment which we cater to is fragmented and fairly competitive. We compete primarily on the basis of quality of our product, customer satisfaction and marketing. Thus, some of our competitors may have certain other advantages over us, including established track record, larger portfolio of products, technology and greater market penetration, which may allow our competitors to better respond to market trends. They may also have the ability to spend more aggressively on marketing initiatives and may have more flexibility to respond to changing business and economic conditions than we do. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and issue customer quality products at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**34. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.***

Our growth strategies require us to develop and strengthen relationships with existing customers for our business who may drive high volume orders on an ongoing basis. Our total revenue for period ended August 31, 2023 and for the period ended March 31, 2023, March 31, 2022, March 31, 2021 is Rs 3,052.16 Lakhs, Rs. 6,330.09 Lakhs, Rs. 7,545.25 and 4,899.44 Lakhs. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- Our ability to cater to the customer tastes and preferences;
- our ability to maintain the quality of our services;
- our ability to increase our geographic presence;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);

- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. While we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability.

Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

**35. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**36. *If we fail to identify and effectively respond to changing consumer tastes and preferences and spending patterns in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.***

The market is characterized by frequent changes, particularly in consumer tastes and preferences, new products and product variations. The popularity and demand of a product may vary over time due to changing culinary habits, consumer tastes and preferences, including those relating to durability, quality and purity etc. Consumer preferences in the market are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our continued success depends on our ability react in a timely and cost-effective manner to changes in consumer tastes and preferences for our products, as well as to where and how consumers shop for these products. We continually work to enhance the recognition of our brand and products and refine our approach as to how, when and where we market and sell our products using data and technology. While we aim to introduce new products from time to time, we recognize that consumer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our consumers. If we are unable to foresee or respond effectively to the changes in market conditions, new and changing trends or desired consumer preferences, accurately anticipate and forecast demand for products, then there may be a decline in the demand and sales for our products, thereby reducing our market share and preventing us from acquiring new customers and retaining existing customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**37. *Our manufacturing activities require deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

Our manufacturing operations require deployment and our ability to retain labour. In case such labour workforce is unavailable, or we are unable to identify and retain such labour our business could be adversely affected. We cannot guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, there have been amendments in the labour and Employment related laws, which may have a direct impact on our employee costs and consequently, on our margins. Further, latest amendments in labour laws in India may be lead to increasing cost of compliance, wages, social security, Occupational Safety, Health and Working Conditions. We cannot assure you that we will continue to comply with all these labour related laws and that as we continue to grow our business in the future, our labour and employee costs coupled with operating compliances and expenses will not significantly increase. Our employees are not unionized currently. However, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our manufacturing facilities take any steps to unionise, it

may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact our results of operations, market share and financial condition.

**38. *Information relating to our installed capacities and the historical capacity utilization of our manufacturing facilities included in this Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.***

Information relating to our installed capacities and the historical capacity utilization of our manufacturing units included in this Prospectus is disclosed based on certificated as certified by Mr. Manish Pathak, Chartered Engineer bearing registration no. AM-163730-7 vide his certificate dated September 15, 2023. Further, the Capacity Utilization for manufacturing unit 2, had reduced from 60% in FY 2022 to 48% in FY 2023. This fluctuation was mainly due to changes in government regulations regarding the use of single-use plastic which led to reduction in sales in FY 2023 as compared to FY 2022, especially sales of our lollipop products. Further, our company took some time to find a suitable replacement for single-use plastic and to establish a new supply chain for the modified product category. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. In addition, we are unable to present the average estimated annual installed capacity for our other products category due to the nature of and the range of products included in our other products category. For details, see “Our Business – Production Capacity and Capacity Utilisation” on page 104 of the Prospectus.

**39. *There have been certain instances of delay in payment of statutory dues by our Company in the past.***

There have been certain instances of delay in payment of statutory dues by our Company in the past which were not material in nature and the same were regularized subsequently by payments with fees, interest and penalty. For the last three Fiscals and the period ended August 31, 2023, there has been generally delay in depositing Employee Provident Fund, Good and Service Tax, Tax Deducted at Source, Professional Tax due to reason like COVID-19, system error etc. Though these delays have been regularized and as on date, there are no outstanding payments, we cannot assure you that there will be no default or delay in future in payment of such dues or filing of returns. Further, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of such delay in payments or filing of returns, which may adversely affect our business, financial condition, and reputation.

**40. *The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.***

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our stores. Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this period of lockdown and relaxation, our stores were partially operational. If we do not respond appropriately to the pandemic, or if customers did not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future. We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

**41. *We have not made or identified any alternate source of financing the ‘Objects of the Offer’. Further, there may be delay in raising funds from the IPO. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations, and financial performance.***

As on date, we have not identified or have not made any alternate arrangements for meeting our capital requirements for the objects of the Offer. We meet our capital requirements through our 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 Offer or any shortfall in the Offer Proceeds may delay the implementation schedule and could adversely affect our growth plans and profitability. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page no. 66 of this Prospectus.

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

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended from time to time, appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakhs. Since this Issue Size is less than Rs. 10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**43. *Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

Our Company intends to deploy and utilize Net Proceeds raised pursuant to the Initial Public Offer in the manner set out in the section titled “Objects of the Issue” on page no. 66 in the Prospectus. In accordance with SEBI LODR Regulations, Section 13(8) and Section 27 of the Companies Act, 2013 and other applicable provisions, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations and it may also lead to delay in deployment of funds as per the schedule of implementation as disclosed in objects section titled “Objects of the Issue” on page no. 56 in the Prospectus. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

Further, pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue, our business and financial results may suffer.

**44. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled “Industry Overview” of this Prospectus. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. 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. Further, the industry data mentioned in this Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

***45. The requirements of being a listed company may strain our resources.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## **RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

***46. Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group members will always act in the best interests of the Company.***

After the completion of our Initial Public Issue, our Promoters, along with our Promoter Group members, will hold, approximately 73.47% of our post issue paid up equity capital of our Company. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholder. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. We cannot assure you that our Promoters and Promoter Group members will always act in our Company’s or your best interests. For further details, please refer to the chapters titled “Capital Structure” and “Our Promoter and Promoter Group”, beginning on page no. 49 and 117 respectively, of this Prospectus.

***47. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of

our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**48. *Our Company has not paid any dividends in the past and we may not be able to pay dividends in the future.***

We have not paid any dividends on our Equity Shares since inception and there can be no assurance that dividends will be paid in future. The declaration of dividends in the future will be recommended by our Board, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the future. Further, we may be restricted by the terms of our debt financing from making dividend payments, in the event we default in any of the debt repayment installments.

**49. *Investors may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. It is pertinent to note that pursuant to the Finance Bill, 2017, it has been proposed, that with effect from April 1, 2017, this exemption would only be available if the original acquisition of equity shares was chargeable to STT. The Central Government is expected to, however notify the transactions which would be exempt from the application of this new amendment. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to applicable short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident, subject to the availability of certain documents. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. For more details, please refer to "Statement of Tax Benefits" on page no. 81 of this Prospectus.

**50. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Nikunj Stock Brokers Limited is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled "General Information – Details of the Market Making Arrangement for this Issue" beginning on page no. 46 of this Prospectus.

**51. *Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.***

There has been no public market for our Equity Shares prior to the Offer. The price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on Emerge Platform of NSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cash flows;
- The history of and prospects for our business;
- An assessment of our management, our past and present operations, and the prospects for as well as timing of our future revenues and cost structures; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations, or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Management Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

## **EXTERNAL RISK FACTORS**

### ***52. Changes in the regulatory framework could adversely affect our operations and growth prospects.***

The company is subject to various regulations and policies. For details see section titled "Key Industry Regulations" beginning on page no. 93 of this Prospectus. The company's current businesses and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that it will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which could have a material adverse effect on the business, financial condition and results of operations.

### ***53. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our financial statements, including the financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "Presentation of Financial, Industry and Market Data" on page no. 13 of this Prospectus. Accordingly, the degree to which the

Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition

***54. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

***55. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in Nifty, NSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***56. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

***57. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.***

India is our key market. For Fiscal 2023, entire of our Company's revenue from operations was from India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

***58. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Prospectus:

Particulars	No. of Equity Shares
Equity Shares offered	39,20,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 68/- per Equity Share aggregating Rs. 2,665.60 Lakhs
<b><i>Of Which:</i></b>	
Reserved for Market Makers	2,00,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 68/- Per Equity Share aggregating Rs. 136.00 Lakhs
Net Issue to the Public*	37,20,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 68/- per Equity Share aggregating Rs. 2,529.60 Lakhs
<b><i>Of which:</i></b>	
Retail Investors Portion	18,60,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 68/- per Equity Share aggregating Rs. 1,264.80 Lakhs
Non-Retail Investors Portion	18,60,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 68/- per Equity Share aggregating Rs. 1,264.80 Lakhs
<b><i>Pre and Post Issue Share Capital of our Company:</i></b>	
Equity Shares outstanding prior to the Issue	1,08,57,151 Equity Shares
Equity Shares outstanding after the Issue	1,47,77,151 Equity Shares
Use of Issue Proceeds	For details, please refer chapter titled ' <b><i>Objects of the Issue</i></b> ' beginning on page no. 66 of this Prospectus.

The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on September 25, 2023 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on September 25, 2023 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

\* As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the Allocation' is the net issue to the public category shall be made as follows:

- a. Minimum fifty percent (50%) To Retail Individual Investors; and
- b. Remaining to:
  - (i) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*Explanation: If the retail individual investor category is entitled to more than fifty per cent of the issue size on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

For further details please refer to chapters titled "Terms of the Issue", "Other Regulatory and Statutory Disclosures" and "Issue Structure" beginning on page no. 225, 210 and 230, respectively of this Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information is derived from Restated Financial Statements for the period ended August 31, 2023 and for the financial years as on March 31, 2023, as on March 31, 2022 and as on March 31, 2021. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2018.

The summary financial information presented below should be read in conjunction with the chapters titled 'Restated Financial Statement' and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 143 and 188 respectively of this Prospectus.

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b><u>Shareholders' Funds</u></b>					
(a)	Share Capital	7	1,085.72	171.43	171.43	150.00
(b)	Reserves & Surplus	8	202.21	906.82	642.60	433.82
	<b>Total (A)</b>		<b>1,287.92</b>	<b>1,078.24</b>	<b>814.03</b>	<b>583.82</b>
<b>3.</b>	<b><u>Non-Current Liabilities</u></b>					
(a)	Long Term Borrowings	9	367.29	285.76	581.29	852.65
(b)	Non- Current Liabilities	11	40.40	37.18	32.26	20.49
	<b>Total (C)</b>		<b>407.69</b>	<b>322.94</b>	<b>613.54</b>	<b>873.14</b>
<b>4.</b>	<b><u>Current Liabilities</u></b>					
(a)	Short Term Borrowings	10	1,528.18	1,444.79	1,233.94	1,640.33
(b)	Trade Payables	12				
	(i) total outstanding dues to micro enterprises and small enterprises		441.77	374.37	488.57	287.02
	(ii) total outstanding dues to creditor other than micro enterprises and small enterprises		897.72	755.77	583.30	461.51
(c)	Other Current Liabilities	13	46.25	24.77	73.97	37.37
(d)	Short Term Provisions	14	215.11	154.37	98.10	63.23
	<b>Total (D)</b>		<b>3,129.02</b>	<b>2,754.06</b>	<b>2,477.88</b>	<b>2,489.46</b>
	<b>Total Equity and Liabilities (A+B+C+D)</b>		<b>4,824.64</b>	<b>4,155.24</b>	<b>3,905.45</b>	<b>3,946.43</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b><u>Non-Current Assets</u></b>					
(a)	Property, Plant and Equipment and Intangible Assets					
	i) Property, plant and equipment	15A	384.24	345.63	488.27	535.83
	iii) Capital work-in-progress	15C	10.70	12.11	14.89	14.01
	ii) Intangible assets	15B	154.60	106.59	105.64	122.13

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
			<b>549.55</b>	<b>464.34</b>	<b>608.81</b>	<b>671.97</b>
(b)	Non-Current Investments	16	0.10	0.10	0.95	0.51
(c)	Long Term Loans and Advances	17	16.93	16.58	26.51	29.43
(d)	Other Non-Current Assets	18	-	24.46	73.37	-
(e)	Deferred Tax Asset (Net)	19	46.19	46.19	10.95	10.95
	<b>Total (A)</b>		<b>612.77</b>	<b>551.68</b>	<b>720.58</b>	<b>712.86</b>
<b>2.</b>	<b>Current Assets</b>					
(a)	Inventories	20	2,866.84	2,473.70	2,048.58	1,733.58
(b)	Trade Receivables	21	919.83	723.44	777.46	759.29
(c)	Cash and Bank Balances	22	23.68	22.44	30.56	604.71
(d)	Short term loans and advances	23	314.97	324.88	264.81	11.93
(e)	Other Current Assets	24	86.55	59.11	63.46	124.05
	<b>Total (B)</b>		<b>4,211.86</b>	<b>3,603.57</b>	<b>3,184.87</b>	<b>3,233.57</b>
	<b>Total Assets (A+B)</b>		<b>4,824.64</b>	<b>4,155.24</b>	<b>3,905.45</b>	<b>3,946.43</b>

## RESTATED STATEMENT OF PROFIT & LOSS

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>1</b>	<b>Income</b>					
(a)	Revenue From Operations	25	3,051.70	6,321.20	7,541.15	4,890.36
(b)	Other Income	26	0.46	8.89	4.10	9.07
<b>2</b>	<b>Total Income (1a+1b)</b>		<b>3,052.16</b>	<b>6,330.09</b>	<b>7,545.25</b>	<b>4,899.44</b>
<b>3</b>	<b>Expenditure</b>					
(a)	Cost of raw material consumed	27	1,876.96	3,888.70	4,947.47	2,617.09
(b)	Purchases of Stock in Trade	28	316.61	1,002.08	1,018.55	1,234.30
(c)	Changes In Inventories Of Finished Goods, and Stock-In-Trade	29	32.75	(124.77)	(4.25)	(3.99)
(d)	Employee Benefit Expenses	30	239.76	521.72	639.83	416.88
(e)	Finance Cost	31	68.21	184.84	169.01	158.29
(f)	Depreciation & Amortization	32	49.83	177.68	134.54	97.86
(g)	Other Expenses	33	186.31	342.71	502.33	266.50
<b>4</b>	<b>Total Expenditure 3(a) to 3(g)</b>		<b>2,770.43</b>	<b>5,992.96</b>	<b>7,407.47</b>	<b>4,786.93</b>
	<b>Profit/(Loss) Before Exceptional and Extra-Ordinary Item</b>		281.73	337.13	137.77	112.50
	Exceptional Items		-	-	-	-
<b>5</b>	<b>Profit/(Loss) Before Tax (2-4)</b>		<b>281.73</b>	<b>337.13</b>	<b>137.77</b>	<b>112.50</b>

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>6</b>	<b>Tax Expense:</b>					
(a)	Tax Expense For Current Year		72.05	108.16	57.57	36.94
(b)	Deferred Tax		-	(35.25)	-	(10.95)
	<b>Net Current Tax Expenses</b>		<b>72.05</b>	<b>72.92</b>	<b>57.57</b>	<b>25.99</b>
<b>7</b>	<b>Profit/(Loss) for the period from continuing operations (5-6)</b>		<b>209.68</b>	<b>264.21</b>	<b>80.21</b>	<b>86.52</b>
<b>8</b>	<b>Restated Earnings Per Share</b>					
	Basic	Rs.	1.93	2.43	0.75	0.81
	Diluted	Rs.	1.93	2.43	0.75	0.81

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>A) Cash Flow From Operating Activities:</b>				
Net Profit before tax	281.73	337.13	137.77	112.50
Adjustment for:				
Depreciation	49.83	177.68	134.54	97.86
Interest Paid	68.18	181.10	165.92	147.78
Adjustments for unrealised foreign exchange Losses / (Gains)	-	-	(2.11)	-
Interest Income	0.46	0.58	1.99	2.69
(Profit) / Loss on sale of property, plant and equipment	-	(0.13)	19.49	(6.37)
Operating profit before working capital changes	400.21	696.36	457.59	354.47
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Inventories	(393.14)	(425.12)	(315.00)	(229.72)
(Increase)/Decrease in Trade Receivables	(196.39)	54.02	(18.17)	(80.74)
(Increase)/Decrease in Long Term Loans & Advances	(0.34)	9.92	2.92	(0.83)
(Increase)/Decrease in Short Term Loans & Advances	9.91	(60.07)	(252.88)	35.34
(Increase)/Decrease in Other Current Assets	(27.44)	4.35	60.59	(12.54)
(Increase)/Decrease in Other Non-Current Assets	24.46	48.91	(73.37)	-
Increase/(Decrease) in Trade Payables	209.35	58.27	323.33	(202.92)
Increase/(Decrease) in Other Current Liabilities	21.48	(49.20)	36.60	26.56
Increase/(Decrease) in Other Non- Current Liabilities	3.22	4.92	11.77	6.19
Increase/(Decrease) in Short Term Provisions	60.74	56.27	34.88	(2.21)
Increase/(Decrease) in Short Term Borrowings	83.39	210.84	(406.39)	461.96

PARTICULARS		AS AT			
		31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Cash generated from operations</b>		195.46	609.49	(138.13)	355.57
Direct Tax Paid / (Refund) [Net]		72.05	29.18	-	36.94
<b>Cash Flow Before Extraordinary Item</b>		123.40	580.31	(138.13)	318.63
Extraordinary Items		-	-	-	-
Net cash flow from operating activities		123.40	580.31	(138.13)	318.63
<b>B) Cash Flow From Investing Activities:</b>					
Purchase/Sale of Property, Plant and Equipment and Intangibles		(134.46)	(33.09)	(60.37)	(218.19)
(Increase)/Decrease in Non-Current Investments		-	0.85	(0.44)	-
Interest Income		(0.46)	(0.58)	(1.99)	(2.69)
Other Inflow / (Outflows) of cash		-	(78.99)	21.20	-
<b>Net cash flow from investing activities</b>		(134.93)	(111.81)	(41.60)	(220.88)
<b>C) Cash Flow From Financing Activities:</b>					
Increase/(Decrease) in Long Term Borrowings		81.54	(295.53)	(271.37)	584.68
Increase / (Decrease) in share capital			-	21.43	
Interest Paid		(68.18)	(181.10)	(165.92)	(147.78)
<b>Net cash flow from financing activities</b>		13.35	(476.63)	(394.43)	436.90
Net Increase/(Decrease) In Cash & Cash Equivalents		1.25	(8.13)	(574.16)	534.64
Cash equivalents at the beginning of the year		22.43	30.56	604.71	70.07
Cash equivalents at the end of the year		23.68	22.43	30.56	604.71
Notes:-					
		AS AT			
		31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
1	Component of Cash and Cash equivalents				
	Cash on hand	20.96	17.76	27.99	15.34
	Balance With banks	2.73	4.68	2.56	589.38
	Fixed Deposit	-	-	-	-
		23.68	22.44	30.56	604.71
2.1 The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.					
2.2 The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6.					
2.3 This is the Restated Statement of Cash Flows referred to in our report of even date.					

## SECTION V- GENERAL INFORMATION

Our Company was originally incorporated as Italian Edibles Private Limited on December 16, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently the name of the company was changed from “Italian Edibles Private Limited” to “Italian Edibles Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 06, 2023 and had obtained fresh certificate of incorporation September 21, 2023 issued by the Registrar of Companies, Gwalior. For details of the changes in our name and registered office, please refer to the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page no 119 of this Prospectus.

### Registered Office of our Company

**CIN** : U15141MP2009PLC022797  
**Registration No.** : 022797  
**Address** : 309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India  
**Tel No.** : +91 9826298268  
**Email Id** : [italian\\_edibles@yahoo.com](mailto:italian_edibles@yahoo.com)  
**Website** : [www.ofcoursegroup.com](http://www.ofcoursegroup.com)  
**Contact Person** : Ms. Sunila Kalra, Company Secretary and Compliance Officer

### Address of the Registrar of Companies

**Address** : 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009, Madhya Pradesh, India  
**Tel No.** : 0751-2321907  
**Email Id** : [roc.guwaliior@mca.gov.in](mailto:roc.guwaliior@mca.gov.in)  
**Website** : [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

Our Company proposed to list its Equity Shares on the **Emerge Platform of NSE** located at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051.

### OUR BOARD OF DIRECTORS

The following table sets out details regarding our Board as on the date of this Prospectus:

Sr. No.	Name and Designation	DIN	Address
1.	Mr. Ajay Makhija Managing Director	02847288	15/1, Vidhya Nagar, 604 Sidhi Vinayak Grand, Behind Sapna Sangeeta, Indore-452001, Madhya Pradesh, India
2.	Mr. Akshay Makhija Executive Director & CEO	02787252	15/1, Vidhya Nagar, 604 Sidhi Vinayak Grand, Behind Sapna Sangeeta, Indore-452001, Madhya Pradesh, India
3.	Mrs. Sneha Chinmay Khandelwal Non-Executive Director	10448569	93-A, Sudama Nagar, Narendra Tiwari Marg, Nr Sudama Nagar, Madhya Pradesh 452009
4.	Ms. Devyani Chhajed Non-Executive Independent Director	10276186	1083, Gyan Nagar, Sector-04, Manva Khera, Udaipur H Magri, Udaipur, Girwa-31 3002, Rajasthan, India
5.	Ms. Anjali Jain Non-Executive Independent Director	07757314	323, Tilaknagar main road, Indore- 452018, Madhya Pradesh, India

For detailed profile of our Board of Directors, refer to chapter titled ‘*Our Management*’ on page no. 123 of this Prospectus.

### COMPANY SECRETARY & COMPLIANCE OFFICER

**NAME** : **MS. SUNILA KALRA**  
**Address** : 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India  
**Tel No.** : +91 9826298268  
**Email Id** : [italian\\_edibles@yahoo.com](mailto:italian_edibles@yahoo.com)  
**Website** : [www.ofcoursegroup.com](http://www.ofcoursegroup.com)

#### **CHIEF FINANCIAL OFFICER**

**Name** : **MR. SATYANARAYAN RAWAT**  
**Address** : 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India  
**Tel No.** : +91 9826298268  
**Email Id** : [italian\\_edibles@yahoo.com](mailto:italian_edibles@yahoo.com)  
**Website** : [www.ofcoursegroup.com](http://www.ofcoursegroup.com)

#### **LEAD MANAGER FOR THE COMPANY**

**Name** : **FIRST OVERSEAS CAPITAL LIMITED**  
**Registered Office** : 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001  
**Tel No.** : +91 22 40509999  
**Email Id** : [mb@focl.in](mailto:mb@focl.in)  
**Contact Person** : Mr. Rushabh Shroff /Mr. Ms.Mala Soneji  
**Website** : [www.focl.in](http://www.focl.in)  
**SEBI Registration No.** : INM000003671

#### **REGISTRAR TO THE ISSUE**

**Name** : **BIGSHARE SERVICES PRIVATE LIMITED**  
**Address** : S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai - 400 093, Maharashtra, India  
**Tel No.** : +91 22 6263 8200  
**Email Id** : [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor grievance e-mail** : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person** : Mr. Vinayak Morbale  
**Website** : [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration No.** : INR000001385

#### **Note:**

**Investors may contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue, i.e. and/ or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, or/and non-receipt of funds by electronic mode etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same. Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

#### **LEGAL ADVISOR TO THE ISSUE**

**Name** : **RAJANI ASSOCIATES, ADVOCATES & SOLICITORS**

**Address** : 204–207, Krishna Chambers, 59, New Marine Lines, Mumbai-400020  
Maharashtra, India  
**Tel No.** : +91 22 4096 1000/9820041647  
**Email Id** : [sangeeta@rajaniassociates.net](mailto:sangeeta@rajaniassociates.net)  
**Website** : [www.rajaniassociates.net](http://www.rajaniassociates.net)  
**Contact Person** : Ms. Sangeeta Lakhi

#### **STATUTORY AND PEER REVIEW AUDITOR OF THE COMPANY**

**Name** : M/s MAHESHWARI & GUPTA  
**Address** : 312-314, Manas Bhawan Annex., Hindi Sahitya Samiti, 11 RNT Marg, Indore-452001, Madhya Pradesh, India  
**Tel No.** : +91 94250 66760  
**Email Id** : [maheshwarigupta1753@gmail.com](mailto:maheshwarigupta1753@gmail.com)  
**Contact Person** : CA Sunil Maheshwari  
**Membership No.** : 403346  
**Firm Registration No.** : 006179C  
**Peer reviewed Certificate No** : 013627 valid till July 31, 2024

#### **BANKER(S) TO THE COMPANY**

**Name** : **HDFC BANK**  
**Address** : HDFC Bank House, Brilliant Avenue, Scheme No-94, Sector-B Behind Bombay Hospital, Ring Road, Indore- 452010  
**Tel No.** : 7225811176  
**Email Id** : [anurag.awasthi@hdfcbank.com](mailto:anurag.awasthi@hdfcbank.com)  
**Contact Person** : Anurag Awasthi  
**Website** : [www.hdfcbank.com](http://www.hdfcbank.com)

#### **BANKER(S) TO THE ISSUE/ SPONSOR BANKER/ ESCROW COLLECTION BANK/REFUND BANK**

**Name** : **HDFC BANK LIMITED**  
**Address** : Lodha, I Think Techno Campus, O-3 Level, next to Kanjurmarg Railway Station, Kanjurmarg (East) Mumbai-400042, Maharashtra, India  
**Tel No.** : +91 22 30752929/2928/2914  
**Email Id** : [Siddharth.Jadhav@hdfcbank.com](mailto:Siddharth.Jadhav@hdfcbank.com) , [eric.bacha@hdfcbank.com](mailto:eric.bacha@hdfcbank.com)  
[Sachin.gawade@hdfcbank.com](mailto:Sachin.gawade@hdfcbank.com)  
**Contact Person** : Siddharth Jadhav, Eric Bacha, Sachin Gawade  
**Website** : [www.hdfcbank.com](http://www.hdfcbank.com)  
**SEBI Registration No.** : INBI00000063

#### **UNDERWRITER (S) TO THE ISSUE**

**Name** : **FIRST OVERSEAS CAPITAL LIMITED**  
**Registered Office** : 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001  
**Tel No.** : +91 22 40509999  
**Email Id** : [mb@focl.in](mailto:mb@focl.in)  
**Contact Person** : Mr. Rushabh Shroff / Ms. Mala Soneji  
**Website** : [www.focl.in](http://www.focl.in)  
**SEBI Registration No.** : INM000003671

**Name** : NIKUNJ STOCK BROKERS LIMITED  
**Address** : A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi – 110007  
**Tel No.** : 011-47030017-18/ 9999492292  
**Email Id** : [complianceofficer@nikunjonline.com](mailto:complianceofficer@nikunjonline.com)  
**Contact Person** : Mr. Anupam Suman  
**Website** : <https://www.nikunjonline.com/>  
**SEBI Registration No.** : INZ000169335

#### Changes in Auditors during the last Three Financial Years

There have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Prospectus except as set out below:

Name of the Auditor	Date of Appointment	Date of Cessation	Reason for resignation
<b>M/s Vijay K Jain &amp; Associates, Chartered Accountant</b> <b>Address:</b> 307 Manas Bhawan Extn., 11 R.N.T. Marg, Indore-452001, Madhya Pradesh, India <b>Contact Person:</b> Virendra Kumar Goyal <b>Email id:</b> <a href="mailto:cavijayjain2011@yahoo.com">cavijayjain2011@yahoo.com</a> <b>Firm Registration No:</b> 006719C <b>Membership No:</b> 429107	December 01, 2020	July 24, 2023	Due to pre-occupation
<b>M/s Maheshwari &amp; Gupta, Chartered Accountant</b> <b>Address:</b> 312-314, Manas Bhawan Annex., Hindi Sahitya Samiti, 11 RNT Marg, Indore-452001, Madhya Pradesh, India <b>Contact Person:</b> CA Sunil Maheshwari <b>Email id:</b> <a href="mailto:maheshwari Gupta1753@gmail.com">maheshwari Gupta1753@gmail.com</a> <b>Firm Registration No:</b> 006179C <b>Membership No:</b> 403346	August 02, 2023	NA	NA

#### Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link. The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40and> (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

#### Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE i.e., [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange [www.nseindia.com](http://www.nseindia.com) as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

### **Credit Rating**

This being an Issue of Equity Shares, there is no requirement of credit rating.

### **Debenture Trustees**

This is being an Issue of Equity Shares; the appointment of Debenture trustee is not mandatory.

### **IPO Grading**

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading agency.

### **Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities for the Issue**

Since, First Overseas Capital Limited is the sole Lead Manager to the Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

### **Appraisal and Monitoring Agency**

As per Regulation 262(1) of SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the issue size is below Rs.10,000 Lakhs. Since this Issue Size is less than Rs. 10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Section 177 of the Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

### **Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/S Maheshwari & Gupta, Chartered Accountant dated September 25, 2023 to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports (a) on the Restated Financial Statements dated September 21, 2023, and (b) Statement of Special Tax Benefits dated October 03, 2023 by the Auditors, such consent has not been withdrawn as on the date of this Prospectus.

### **Filing of Prospectus**

The copy of the Draft Prospectus will be filed with the Designated Stock Exchange, in our case, it shall be Emerge Platform of NSE. The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR), 2018. However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the Prospectus along with the with due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the ROC Office situated at 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009, Madhya Pradesh, India

### **Underwriting Agreement**

This Issue is 100% Underwritten. The Underwriting agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

<b>Details of the Underwriters</b>	<b>No. of Equity Shares underwritten *</b>	<b>Amount Underwritten</b>	<b>% Of the total Issue Size Underwritten</b>
<b>First Overseas Capital Limited</b> 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India. Tel No.: +91 22 4050 9999; Email: <a href="mailto:mb@focl.in">mb@focl.in</a> Website: <a href="http://www.focl.in">www.focl.in</a> SEBI Registration No: INM000003671 Contact Person: Rushabh Shroff/ Mala Soneji	588000	399.84	15.00
<b>Nikunj Stock Brokers Limited</b> <b>Address.</b> Tel No.: +919999492292 Fax No: N.A Email: <a href="mailto:complianceofficer@nikunjonline.com">complianceofficer@nikunjonline.com</a> Website: <a href="https://www.nikunjonline.com/">https://www.nikunjonline.com/</a> SEBI Registration No: INZ000169335 Contact Person: Mr. Anupam Suman	33,32,000	2265.76	85.00
<b>TOTAL</b>	<b>39,20,000</b>	<b>2665.60</b>	<b>100.00</b>

\* Includes 2,00,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

#### **Details of the Market Making Arrangement for the Issue**

Our Company and the Lead Manager have entered into an agreement dated January 16, 2024 with the following Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

<b>Name</b>	: <b>NIKUNJ STOCK BROKERS LIMITED</b>
<b>Address</b>	: A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi - 110007
<b>Tel No.</b>	: 011-47030017-18/ 9999492292
<b>Contact Person</b>	: Mr. Anupam Suman
<b>Website</b>	: <a href="https://www.nikunjonline.com/">https://www.nikunjonline.com/</a>
<b>SEBI Registration No.</b>	: INZ000169335
<b>CIN</b>	: U74899DL19941PLC060413

Nikunj Stock Brokers Limited, registered with Emerge Platform of NSE will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018, and its amendments thereto and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by Stock Exchange. Further, the Market Maker shall inform Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the Emerge Platform of NSE (in this case currently the minimum trading lot size is 2,000 Equity Shares; however, the same may be changed by the Emerge Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25% (Including the 5% of Equity Shares of the Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of Market Maker in our Company reduce to 14%, the market maker will resume providing 2-way quotes.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
7. There shall be no exemption / threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
8. There would not be more than (5) five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SEBI and Emerge Platform of NSE.
10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE SME and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
11. On the day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
12. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
13. In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the NSE and SEBI regarding this matter from time to time.
14. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
15. The Market Maker(s) shall have the right to terminate said arrangement by giving three-month notice or on mutually acceptable terms to the Lead Manager/Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).
16. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager/Merchant Banker to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager/Merchant Banker reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers

does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

17. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

18. **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

19. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME Exchange Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

20. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the Offer size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs.20 Crores	25%	24%
Rs.20 to Rs.50 Crores	20%	19%
Rs.50 to Rs.80 Crores	15%	14%
Above Rs.80 Crores	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchanges from time to time.

## SECTION VI- CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus is set forth below:

(Rs. In Lakhs)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue price
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,65,00,000 Equity Shares of Rs. 10/- each	1,650.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,08,57,151 Equity Shares of Rs. 10/- each	1,085.72	-
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 39,20,000 Equity Shares of face value of Rs. 10/- each at an Issue price of Rs.68.00 per Equity Share	392.00	2,665.60
	<i>Which comprises:</i>		
	<b>(a) Reservation for Market Maker(s) 2,00,000</b> Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 68.00/- per Equity Share	20.00	136.00
	<b>(b) Net Issue to the Public</b> of 37,20,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.00 per Equity Share	372.00	2,529.60
<b>#</b>	<b>Of the Net Issue to the Public*</b>		
	18,60,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.00 per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Retail Individual Investors)</b>	186.00	1,264.80
	18,60,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.00 per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Other than Retail Individual Investors)</b>	186.00	1,264.80
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	1,47,77,151 Equity Shares of Rs. 10/- each	1,477.72	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		-
	After the Issue		2273.60

*# Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For detailed information on the Net Issue and its allocation various categories, please refer chapter titled "The Issue" on page no. on page 41 of this Prospectus.*

The Present Issue has been authorized pursuant to a resolution of our Board dated September 25, 2023 and by Special Resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of our shareholders held on September 25, 2023.

### Class of Shares

The Company has only one class of shares i.e.; Equity shares of Rs. 10.00/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Prospectus. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

1. **Details of change in Authorized Share Capital of our Company:**

Since the incorporation of our Company, the authorized Share Capital of our Company has been altered in the manner set forth below:

Particulars (No. of Equity Shares of FV of Rs. 10 each)		Date of Meeting	Type of Meeting
From	To		
-	30,000	-	On Corporation
30,000	1,00,000	February 14, 2011	EGM
1,00,000	2,50,000	February 02, 2012	EGM
2,50,000	6,00,000	September 30, 2014	EGM
6,00,000	10,00,000	September 23, 2015	EGM
10,00,000	15,00,000	September 30, 2016	EGM
15,00,000	25,00,000	December 29, 2017	EGM
25,00,000	1,65,00,000	June 26, 2023	EGM

2. **Paid-up Share Capital History of our Company**

Date of allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Share Capital (Rs.)
16-12-2009	30,000	10	10	Subscription to MoA <sup>(1)</sup>	Cash	30,000	3,00,000
11-06-2012	2,10,100	10	10	Right Issue <sup>(2)</sup>	Cash	2,40,100	24,01,000
20-11-2014	3,59,900	10	10	Right Issue <sup>(3)</sup>	Cash	6,00,000	60,00,000
08-10-2015	2,00,000	10	10	Right Issue <sup>(4)</sup>	Cash	8,00,000	80,00,000
11-08-2016	2,00,000	10	10	Right Issue <sup>(5)</sup>	Cash	10,00,000	1,00,00,000
26-10-2016	3,00,000	10	10	Right Issue <sup>(6)</sup>	Cash	13,00,000	1,30,00,000
27-07-2017	2,00,000	10	10	Right Issue <sup>(7)</sup>	Cash	15,00,000	1,50,00,000
25-03-2022	2,14,287	10	60	Right Issue <sup>(8)</sup>	Cash	17,14,287	1,71,42,870
03-08-2023	91,42,864	10	-	Bonus Issue <sup>(9)</sup>	Other than cash	1,08,57,151	10,85,71,510

(1) *Initial subscription to the MOA as on December 16, 2009:*

Sr. No.	Subscribers to the MoA for Equity Shares	Number of Equity shares allotted
1.	Mr. Ajay Makhija	15,000
2.	Mr. Akshay Makhija	15,000

(2) *List of allottees who were allotted equity shares as on June 16, 2012 is as follows:*

Sr. No.	Subscribers to the MoA for Equity Shares	Number of Equity shares allotted
1.	Mr. Ajay Makhija	125100
2.	Mr. Akshay Makhija	80000
3.	Mrs. Meenakshi Makhija	5000

(3) *List of allottees who were allotted equity shares as on November 20, 2014 is as follows:*

Sr. No.	Name of the Allottees	Number of Equity shares allotted
1.	Mr. Ajay Makhija	1,54,900
2.	Mr. Akshay Makhija	2,05,000

(4) *List of allottees who were allotted equity shares as on November 08, 2015 is as follows:*

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	1,00,000
2.	Mr. Akshay Makhija	1,00,000

(5) List of allottees who were allotted equity shares August 11, 2016 is as follows:

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	1,00,000
2.	Mr. Akshay Makhija	1,00,000

(6) List of allottees who were allotted equity shares as on October 26, 2016 is as follows:

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	1,50,000
2.	Mr. Akshay Makhija	1,50,000

(7) List of allottees who were allotted equity shares as on July 27, 2017 is as follows:

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	1,00,000
2.	Mr. Akshay Makhija	1,00,000

(8) List of allottees who were allotted equity shares as on March 25, 2022 is as follows:

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	85,715
2.	Mr. Akshay Makhija	1,28,572

(9) List of allottees who were allotted equity shares as on August 03, 2023 is as follows:

<i>Sr. No.</i>	<i>Name of the Allottees</i>	<i>Number of Equity shares allotted</i>
1.	Mr. Ajay Makhija	4457147
2.	Mr. Akshay Makhija	4684917
3.	Minakshi Makhja	160
4.	Anjali Makhija	160
5.	Nishma Vaswani	160
6.	Sudhir Vaswani	160
7.	Jatin Vaswani	160

### 3. Equity Shares issued for consideration other than cash by Our Company:

Except for as mentioned below, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation:

<b>Date of allotment</b>	<b>No. of Equity Shares Allotted</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature / Reason of Allotment</b>	<b>Nature of Consideration</b>
August 03, 2023	91,42,864	10.00	-	Bonus Issue in ratio of 3:16	Other than cash

### 4. Equity Shares issued in the preceding two (2) years:

Except for as mentioned below, our Company has not issued any equity shares during a period of two (2) years preceding the date of the Prospectus:

<b>Date of allotment</b>	<b>No. of Equity Shares Allotted</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature / Reason of Allotment</b>	<b>Nature of Consideration</b>
March 25, 2022	2,14,287	10.00	60.00	Right Issue	cash
August 03, 2023	91,42,864	10.00	-	Bonus Issue in ratio of 3:16	Other than cash

**5. Issue of Equity Shares issued in the preceding one (1) year at a Price lower than the Issue Price:**

Other than as mentioned below, Equity Shares were issued in last one year immediately preceding the date of the Prospectus at a price which is lower than the Issuer Price:

<b>Date of allotment</b>	<b>No. of Equity Shares Allotted</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature / Reason of Allotment</b>	<b>Nature of Consideration</b>
August 03, 2023	91,42,864	10.00	-	Bonus Issue in ratio of 3:16	Other than cash

6. Our Company has not revalued its assets since inception.
7. Our Company has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation of reserves.
8. Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under Section Sections 391 to 394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of the Prospectus.
9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
10. As on the date of filing of this Prospectus, there are no partly paid-up shares, outstanding convertible securities, warrants or outstanding warrants, options or rights to convert debentures in our Company or loans or other financial instruments into our equity shares.
11. There are no equity shares against which depository receipts have been issued.
12. As on the date filing this Prospectus, other than the equity shares, there are no other class of securities issued by our Company. Further, our Company does not have any preference share capital as on the date filing this Prospectus.
13. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
14. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
15. **Capital Build-up of our Promoters shareholding in the Company**

As on the date of this Prospectus, our Promoters hold 1,08,56,201 Equity Shares having face value of Rs. 10 per share and representing 99.99 % of the pre-issue Paid up Capital of our Company.

Date of Allotment/ Transfer	No. of Equity Shares Allotted	Cumulative no. of Equity Shares	FV (Rs.)	Issue Price/ Transfer Price/ Acquisition Price (Rs.)	Nature of Consideration	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
<b>Mr. Ajay Makhija</b>							
16-12-2009	15,000	15,000	10	10	Incorporation	0.14	0.10
16-06-2012	1,25,100	1,40,100	10	10	Rights Issue Allotment	1.15	0.85
20-11-2014	1,54,900	2,95,000	10	10	Rights Issue Allotment	1.43	1.05
20-11-2014	5,000	3,00,000	10	10	Transfer from Meenakshi Makhija	0.05	0.03
08-11-2015	1,00,000	4,00,000	10	10	Rights Issue Allotment	0.92	0.68
11-08-2016	1,00,000	5,00,000	10	10	Rights Issue Allotment	0.92	0.68
29-10-2016	1,50,000	6,50,000	10	10	Rights Issue Allotment	1.38	1.02
27-07-2017	1,00,000	7,50,000	10	10	Rights Issue Allotment	0.92	0.68
25-03-2022	85,715	8,35,715	10	60	Rights Issue Allotment	0.79	0.58
03-08-2023	44,57,147	52,92,862	10	Nil	Bonus Share Allotment	41.05	30.16
<b>Total</b>	<b>52,92,862</b>					<b>48.75</b>	<b>35.82</b>
<b>Mr. Akshay Makhija</b>							
16-12-2009	15,000	15,000	10	10	Incorporation	0.14	0.10
16-06-2012	80,000	23,000	10	10	Rights Issue Allotment	0.74	0.05
20-11-2014	2,05,000	2,28,000	10	10	Rights Issue Allotment	1.89	1.39
08-11-2015	1,00,000	3,28,000	10	10	Rights Issue Allotment	0.92	0.68
11-08-2016	1,00,000	4,28,000	10	10	Rights Issue Allotment	0.92	0.68
29-10-2016	1,50,000	5,78,000	10	10	Rights Issue Allotment	1.38	1.02
27-07-2017	1,00,000	6,78,000	10	10	Rights Issue Allotment	0.92	0.68
25-03-2022	1,28,572	8,06,572	10	60	Rights Issue Allotment	1.18	0.87
24-07-2023	(150)	8,06,422	10	60	Transfer*	(0.00)	(0.00)
03-08-2023	46,84,917	54,91,339	10	Nil	Bonus Share Allotment	43.15	31.70
<b>Total</b>	<b>55,63,339</b>					<b>51.24</b>	<b>37.65</b>

\*Transfer of 30 Shares each to Mrs. Meenakhshi Makhija; Mrs. Anjali Makhija; Ms. Nishma Vaswani; Mr. Sudhir Vaswani; Mr. Jatin Vaswani

All the Equity Shares held by our Promoter were and is fully paid-up on the respective dates of acquisition and/or transfers and/or allotment of such Equity Shares. As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

Further, our Promoters to the Company and the Lead Manager confirms that the acquisition and/or transfers and/or allotment of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by our Promoter for this purpose.

### ***Details of Promoter's contribution and Lock-in***

As per Regulation 236 and 238 of the SEBI (ICDR) Regulations, 2018, and in terms of the aforesaid table, an aggregate of 20% of the fully diluted post-issue equity share capital of our Company held by our Promoters shall be provided towards minimum Promoter's, contribution and locked in for a period of 3 (Three) years from the date of Allotment ('Minimum Promoter's Contribution'). The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoter's Contribution constituting 20.30% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution, from the date of filing of this Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations. The Equity Shares which are being locked in for three (3) years from the date of Allotment are as follows:

Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition/ acquired/ transfer	Nature of consideration	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
<b>Mr. Ajay Makhija</b>							
03-08-2023	15,00,000	Bonus in the ratio of 3:16	Cash	10.00	-	13.82	10.15
<b>Mr. Akshay Makhija</b>							
03-08-2023	15,00,000	Bonus in the ratio of 3:16	Cash	10.00	-	13.82	10.15
<b>Total</b>	<b>30,00,000</b>					<b>27.63</b>	<b>20.30</b>

The Minimum Promoters contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018. The Equity Shares that are being locked-in are eligible for computation of Promoter Contribution under Regulation 237 of SEBI ICDR Regulations. In this connection, our Company hereby confirms that the Equity Shares locked-in do not consist of:

- a) Equity Shares acquired during the preceding three (3) years from the date of filing this Prospectus for
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus shares issued out of revaluations reserves or unrealized profits of the Company or bonus issue against equity shares which are otherwise ineligible for computation of Minimum Promoter's Contribution;
- b) Equity Shares held by the Promoter and offered for minimum Promoters contribution which are subject to any pledge with any creditor;
- c) Equity Shares acquired during the preceding one (1) year from the date of filing this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Initial Public Offer;
- d) Equity Shares issued to the Promoter upon conversion of a partnership firm during the preceding one year at a price less than the Issue Price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution. Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible; and
- e) Equity Shares for which specific written consent has not been obtained from the respective Promoter for inclusion of their subscription in the Promoters Contribution subject to lock-in.

### ***Equity shares locked-in for one year***

Other than the Equity Shares mentioned above that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and 239 of SEBI ICDR Regulations, 2018.

#### **Other requirements in respect of ‘Lock-In’**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

#### ***Inscription or Recording of non-transferability:***

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the share certificates for the equity shares held in physical form, which are subject to lock-in, shall carry the inscription ‘**non-transferable**’ and the non-transferability details shall be informed to and recorded by the Depositories.

#### ***Pledge of Locked in Equity Shares:***

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following:

- In case of Minimum Promoters’ Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters’ contribution, the pledge of equity shares is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

#### ***Transferability of Locked in Equity Shares:***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

## 16. OUR SHAREHOLDING PATTERN

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this:

Category	Category of Shareholders	No. of Shareholders	No. Of Fully Paid-up Equity Shares held	No. Of Partly Paid-up Equity Shares held	No. of Shares underlying Depository Receipts	Total No. Of Equity Shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	No. of Voting Rights held in each class of securities *		No. of Shares Underlying Outstanding Convertible Securities (including Warrants)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of Locked in shares **		Shares Pledged or otherwise encumbered		No. of equity shares held in dematerialized form
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX		X	XI=VII+X	XII		XIII		XIV
A	Promoter & Promoter Group	7	1,08,57,151	-	-	1,08,57,151	100	1,08,57,151	100	1,08,57,151	1,08,57,151	-	-	-	-	1,08,57,151
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category of Shareholders	No. of Shareholders	No. Of Fully Paid-up Equity Shares held	No. Of Partly Paid-up Equity Shares held	No. of Shares underlying Depository Receipts	Total No. Of Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities *		No. of Shares Underlying Outstanding Convertible Securities (including Warrants)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of Locked in shares **		Shares Pledged or otherwise encumbered		No. of equity shares held in dematerialized form
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX		X	XI=VII+X	XII		XIII		XIV
	<b>Total</b>	<b>7</b>	<b>1,08,57,151</b>	<b>-</b>	<b>-</b>	<b>1,08,57,151</b>	<b>100.00</b>	<b>1,08,57,151</b>	<b>100.00</b>	<b>1,08,57,151</b>	<b>1,08,57,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,08,57,151</b>

Note:

- 1) As on the date of this Prospectus 1 Equity Shares holds 1 vote. The entire pre-IPO equity share of the Company will be locked in prior to listing of shares on the Emerge Platform of NSE.
- 2) PAN of all shareholders will be provided to the stock exchange by our Company prior to Listing of Equity Share on the Stock Exchange.
- 3) Our Company will file the shareholding pattern of our Company, in the form prescribed under SEBI (LODR) Regulations, 2015, as amended from time to time, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.
- 4) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.

17. Following is the details of the aggregate shareholding of Our Promoter and Promoter Group before and after the Issue is set forth below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Pre-Issued Capital	No. of equity shares	As a % of Post- Issue Capital
<b>A</b>	<b>Promoter -</b>				
1	Mr. Ajay Makhija	52,92,862	48.75%	52,92,862	35.82%
2	Mr. Akshay Makhija	55,63,339	51.24%	55,63,339	37.65%
	<b>TOTAL (A)</b>	<b>1,08,56,201</b>	<b>99.99%</b>	<b>1,08,56,201</b>	<b>73.47%</b>
<b>B</b>	<b>Promoter Group &amp; Relatives-</b>				
1	Mrs. Minakshi Makhja	190	Negligible	190	Negligible
2	Mrs. Anjali Makhija	190	Negligible	190	Negligible
3	Ms. Nishma Vaswani	190	Negligible	190	Negligible
4	Mr. Sudhir Vaswani	190	Negligible	190	Negligible
5	Mr. Jatin Vaswani	190	Negligible	190	Negligible
	<b>TOTAL (B)</b>	<b>950</b>	Negligible	<b>950</b>	Negligible
<b>C</b>	<b>TOTAL (A+B)</b>	<b>1,08,57,151</b>	<b>100.00%</b>	<b>1,08,57,151</b>	<b>73.47%</b>

18. The average cost of acquisition of per Equity Share by our Promoter is set forth in the table below:

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Mr. Ajay Makhija	52,92,862	2.39
Mr. Akshay Makhija	55,63,339	2.73

19. List of shareholders holding 1% or more of the paid-up share capital of our company: -

(a) As on the date of this Prospectus:

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ajay Makhija	52,92,862	48.75%
2.	Mr. Akshay Makhija	55,63,339	51.24%
	<b>Total</b>	<b>1,08,56,201</b>	<b>99.99%</b>

(b) 10 days prior to the date of this Prospectus:

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
3.	Mr. Ajay Makhija	52,92,862	48.75%
4.	Mr. Akshay Makhija	55,63,339	51.24%
	<b>Total</b>	<b>1,08,56,201</b>	<b>99.99%</b>

(c) 1 year prior to the date of filing this Prospectus:

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ajay Makhija	8,35,715	48.75%
2.	Mr. Akshay Makhija	8,78,572	51.25%
	<b>Total</b>	<b>17,14,287</b>	<b>100%</b>

(d) 2 years prior to the date of filing this Prospectus:

Sr. No.	Name of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ajay Makhija	7,50,000	50%
2.	Mr. Akshay Makhija	7,50,000	50%
	<b>Total</b>	<b>15,00,000</b>	<b>100%</b>

20. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as mentioned below and as stated in the chapter titled '*Our Management*' beginning on page no. 123 of this Prospectus.

Sr. No.	Name of the KMP's	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Ajay Makhija	Managing Director	52,92,862	48.75%
2.	Mr. Akshay Makhija	Executive Director & CEO	55,63,339	51.24%
	<b>Total</b>		<b>1,08,56,201</b>	<b>99.99%</b>

21. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Prospectus.
22. Our Company shall ensure that transactions in the Equity Shares by the Promoter and members forming a part of the Promoter Group and/ or Group Companies/Entities between the date of filing this Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
23. As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
25. Except as disclosed in this Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise.
26. There have been no financial arrangements whereby our Promoter, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Prospectus, other than in the normal course of business of the financing entity.
27. There are no other persons belonging to the category "Public" who are holding the securities (including shares, warrants, convertible securities of our Company more than 5% of the total number of shares as on the date of this Prospectus.
28. There are no persons belonging to the category "Public" is holding the securities (including shares, warrants, convertible securities of our Company more than 1% of the total number of shares as on the date of this Prospectus.
29. Our Company, our Promoter, our Directors and the Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
30. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicant for making an application, except for fees or commission for services rendered in relation to the Issue.
31. There are no safety net arrangements for this Public Issue
32. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018, as amended from time to time.
33. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoter

and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in for 3 years.

34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under **“Basis of Allotment”** in the chapter titled **“Issue Procedure”** beginning on page no. 233 of this Prospectus.
36. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
37. As per RBI regulations, OCBs are not allowed to participate in the Issue.
38. The Issue is being made through Fixed Price method.
39. None of the other Promoter and members of our Promoter Group will participate in this Issue.
40. Our Company has not raised any bridge loan against the proceeds of the Issue.
41. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
42. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
43. An Applicant cannot make an application for more than the number of Equity Shares being issued through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
44. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in the Issue.
45. We have seven (7) shareholders as on the date of filing of this Prospectus.
46. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
47. As on the date of this Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Offer comprises of a Fresh Issue by our Company.

The Fresh Issue includes a public Issue of 39,20,000 Equity Shares of our Company at an Issue Price of Rs. 68.00 per Equity Share. The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

- 1) Setting up of the proposed manufacturing unit;
- 2) Repayment of certain Borrowings;
- 3) To meet incremental working capital requirements; and
- 4) General Corporate Expenses.

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 119 of this Prospectus.

#### Net Proceeds

The details of the issue proceeds are summarized below:

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds of the Issue	2665.60
Less: Issue related expenses	80.00
<b>Net Proceeds of the Issue (Net Proceeds)</b>	<b>2585.60</b>

#### Utilization of Funds and Means of Finance:

The proposed utilization of net proceeds is set forth below:

Sr. No.	Objects of the Issue	Amount Proposed to be Utilized from the Net Proceeds	
		FY 2023-24	FY 2024-25
1	Setting up of the proposed manufacturing unit <sup>(1)</sup>	450.00	350.00
2	Repayment of certain Borrowings	614.43	-
3	To meet incremental working capital requirements	600.00	-
4	General Corporate Expenses	571.17	-
	<b>Total</b>	<b>2235.60</b>	<b>350.00</b>

(1) Total estimated cost based on the Report as certified by M/S Athak Mahajan, Engineering & Construction vide its certificate dated 07-10-2023 and 09-10-2023.

*The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds and through existing identifiable internal accruals. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 230(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue and existing identifiable internal accruals.*

## Requirement of Funds and Means of Finance

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes/ will not exceed 25% of the gross proceeds from the Issue. The expenditure already incurred and existing identified internal accruals may, at the discretion of the management be, utilize for our future internal accruals in order to reduce our financing costs.

### Schedule of implementation

The entire amount of Fresh Issue Proceeds will be utilised during FY 2024 and FY 2025 as details below in the section “Details of balance fund deployment”.

### Deployment of Funds in the Objects

Except as mentioned below in “Details of balance fund deployment”, our Company has not incurred the any expenditure on the Objects till January 15, 2024, the same is certified by M/s Maheshwari & Gupta, Chartered Accountants vide their certificate date January 23, 2024:

### Details of balance fund deployment

(Rs. In Lakhs)

Sr. No.	Objects of the Issue	Expenses Already Incurred till January 15, 2024	Amount Proposed to be Utilized from the Net Proceeds		Total
			FY 2023-24	FY 2024-25	
1.	Setting up of the proposed manufacturing unit <sup>(1)</sup>	Nil	450.00	350.00	800.00
2.	Repayment of certain Borrowings	Nil	614.43	-	614.43
3.	To meet incremental working capital requirements	Nil	600.00	-	600.00
4.	General Corporate Expenses	Nil	571.17	-	571.17
5.	To meet the expenses of the Issue	8.35	71.65	-	80.00
	<b>Total</b>	<b>8.35</b>	<b>2307.25</b>	<b>350.00</b>	<b>2665.60</b>

(1) Total estimated cost based on the Report as certified by M/S Athak Mahajan, Engineering & Construction vide its certificate dated 07-10-2023 and 09-10-2023.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Object.

## DETAILS OF THE OBJECTS

### I. SETTING UP OF PROPOSED MANUFACTURING UNIT

We have two operational manufacturing units that are operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). For details on our manufacturing units, please refer to “Our Manufacturing and Storage facilities” on page no. 56 of the Prospectus.

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to shift both its existing manufacturing units including the warehouse and registered office to the proposed manufacturing unit to be located at Tillor Khurdh area in Indore district, Madhya Pradesh which shall be owned by our company. This step will lead to expansion our business operations which will lead to increase in the manufacturing capacity and subsequently boost our sales and profitability. We also intend to increase our existing production capacity, being 1800 MT p.a. (55 %) as on September 30, 2023; by way of installation of new plant and machineries at our proposed manufacturing unit. We believe our investment in this plant and machineries will add on to our current installed capacity being 6250 MT p.a. (for Manufacturing Unit 1 and 2 together) as on September 30, 2023, i.e. it will increase by an approximately 1440 MT p.a. (approximately 23.00 %), thus, enabling us to cater to the growing demand from our customers and add new products such as jelly based lollipop with strawberry, grapes, watermelon and rose flavor and double twist packaged lollipops in our existing product portfolio and thereby increasing our sales and revenue from operations. For details on our existing capacity utilization, see “*Our Business –Capacity and Capacity Utilization*” on page 103 of the Prospectus.

The total estimated cost for setting up the proposed manufacturing unit is Rs. 961.00 Lakhs. Our Company proposes to deploy an amount of Rs. 800.00 Lakhs from the Net Proceeds towards setting up of the proposed manufacturing unit in Tillor Khurdh area in Indore district, Madhya Pradesh that is proposed to be operative from Fiscal 2025. Till the proposed manufacturing unit becomes operational, our overall business operations shall continue from the existing premises.

Our Board by its resolution dated September 25, 2023 has approved the proposal for setting up a new manufacturing unit at Tillor Khurdh area in Indore district, Madhya Pradesh. The approximate land required for setting up the proposed manufacturing unit is 1,00,000 Sq. Ft. bearing an approximate cost of Rs. 400.00 Lakhs. Our Company has entered into a Letter of Intent (LOI) with Divyashakti Foods Pvt. Ltd.(Seller) for purchase of land at Tillor Khurdh area in Indore district, Madhya Pradesh towards which our company has paid a token amount of Rs. 1.00 Lakh to the Seller. The LOI is valid for three months w.e.f. November 03, 2023. The proposed land to be purchased by our Company is free from all encumbrances and has a clear title. The seller-Divyashakti Foods Pvt. Ltd does not have any relationship directly or indirectly with our Company or our Promoters or our Director.

The management of our company ensures to comply with all applicable government rules, regulations, laws and other applicable provisions and it shall also obtain/ renew all the necessary applicable government approvals/ registrations/ licenses such as Factory licenses, FSSAI Registration, pollution control licenses, shop and establishment licenses, fire NOC etc. and other applicable government approvals/ registrations/ licenses upon purchase of the proposed land and upon the proposed manufacturing unit being set up and/ or being operational. For details, please refer to “*Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required*” on page no. 201 of the Prospectus.

**The proposed schedule of implementation for setting up our Proposed Manufacturing Unit is as follows:**

<b>Particular</b>	<b>Estimated Month of Commencement</b>	<b>Estimated Month of Completion</b>
Purchase of Land	December 2023	March 2024
Construction of building and civil works	March 2024	November 2024
Purchase and shifting of plant and machineries	February 2024	December 2024
Installation and erection of plant and machineries	January 2025	March 2025
Commercial production	March 2025	March 2025

The brief capital expenditure involved in setting new manufacturing unit primarily comprises of the followings:  
(Rs. In Lakhs)

Particulars	Total Estimated cost of setting up the proposed manufacturing unit	Amount deployed on September 30, 2023	Means of Finance		
			From Internal Accruals	Amount to be deployed from the Net Proceeds in FY 2023-24	Amount to be deployed from the Net Proceeds in FY 2024-25
Land <sup>(1)</sup>	400.00	-	-	400.00	-
Construction of building and civil works <sup>(2)</sup>	409.00	-	141.00	50.00	218.00
Plant and machineries	132.00	-	-	-	132.00
Contingent Expenditure @ 5% <sup>(3)</sup>	20.00	-	20.00	-	-
<b>Total</b>	<b>961.00</b>	<b>-</b>	<b>161.00</b>	<b>450.00</b>	<b>350.00</b>

(1) Total estimated cost based on the Report as certified by M/S Athak Mahajan, Engineering & Construction vide its certificate dated 09-10-2023.

(2) Total estimated cost based on the Report as certified by M/S Athak Mahajan, Engineering & Construction vide its certificate dated 07-10-2023.

(3) Includes a) Rs. 10.00 Lakhs towards shifting of existing plant & machinery to proposed manufacturing unit (new location) located at Tillor Khurdh area, Indore; b) Rs. 5.00 Lakhs towards obtaining and/ or renewing the government approvals/ licenses and c) Rs. 5.00 Lakhs towards installation of new and/or existing plant & machinery and any other miscellaneous work such as laying of foundation for machinery, borewell etc.

#### Construction of building and civil works:

(Rs. In Lakhs)

Sr. No.	Particulars	Estimated Cost (1)
1	Civil construction costs including, <i>inter alia</i> , PCC and RCC work, earth work, masonry, plastering, Waterproofing, fabrication, carpentry, painting, plumbing and contractors profit, borewells, flooring tiles & statutory payments	360.00
2	Services costs including lift & elevators, fire fighting, gas connections and solar piping & panelling, Speakers, Amplifiers, Processors, Woofer, Projectors and other Sound Equipment's, Furniture, Fixtures and Equipment, Chairs, Ductable Air Conditioner and Ducting Coasting, Elevation and Glass Fixtures, Escalators, Generators, Electrical Fittings, False Ceiling	49.00
	<b>Total</b>	<b>409.00</b>

(1) Total estimated cost based on the Report as certified by M/S Athak Mahajan, Engineering & Construction vide its certificate dated 07-10-2023.

The above capital expenditure involved in setting of the proposed manufacturing unit shall be incurred by the company upon the land being acquired and once the construction of the proposed manufacturing unit has begun. Post construction of the manufacturing unit, the company shall incur the necessary cost for procuring the additional plant and machinery. The company also proposes to shift the existing plant and machinery to the new premises- proposed manufacturing unit. However, as on date the company has obtained the quotation for purchasing the below machine:

Particulars	Quantity	Price per Unit (in Rs.)	Estimated Cost (Rs. In Lakhs)
Candy Mould [Strawberry]	1000 pcs	957.25	9.57*
Lollipop Mould [F1 Car]	1000 pcs	1231.93	12.32*
Lollipop Mould [Cube]	800 pcs	957.25	7.66*
Coin Toffee Packing Machine with PLC control	5.00	2050000.0	102.50 **
<b>Total</b>			<b>132.05</b>

\*Quotation of USD 35500 converted @ Rs. 83.2388 per USD (www.rbi.org.in) as on October 06, 2023. Based on the quotation provided by the vendor and is valid for 6 months from the date of August 27, 2023.

\*\* Based on the quotation provided by the vendor and is valid for 6 months from the date of October 07, 2023.

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing of machinery. No second-hand plant and machinery is proposed to be purchased out of the Net Proceeds.

Once we have the money from IPO available, we will finalise appointment of the civil engineer/ architect who shall lay down the plan, design and structure of the manufacturing unit. We confirm that irrespective of the cost involved in constructing the manufacturing unit, we will spend allocated amount of Rs. 800.00 Lakhs towards setting up the new manufacturing unit.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above. If the Net Proceeds are insufficient to the extent required for purchase of plant and machinery and/or other any material required for setting up the manufacturing unit, such excessive amount shall be met from our internal accruals and/ or from borrowing from banks/ financial institutions.

## II. REPAYMENT OF CERTAIN BORROWINGS

Our Company has entered into various financing arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company includes borrowing in the form of, inter alia, term loans, cash credit and overdraft facilities and working capital amongst others. As at August 31, 2023, the total outstanding indebtedness was Rs. 1895.47 Lakhs (included secured and unsecured borrowings). For details on the same, please refer to “**Statement of Financial Indebtedness**” beginning on page no. 58 of this Prospectus.

Our Company proposes to utilize approximately Rs. 614.43 Lakhs from the Net Proceeds of the Issue towards full or partial repayment or pre-payment of certain of such outstanding borrowings availed by our Company. Our Company may from time to time, repay, refinance, enter into further financing arrangements and/or draw down further funds under existing loans from time to time. Therefore, our Company may choose to repay or pre-pay or part prepayment certain borrowings, other than those identified in the table below, which may include additional borrowings availed after the filing of this Prospectus. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings, would not exceed Rs. 614.43 Lakhs. In light of the above, at the time of filing the Prospectus, the table below shall be suitably updated to reflect the revised amounts or additional loans, as the case may be.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. Such reduction of our outstanding indebtedness will also help us to improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of outstanding borrowings availed by our Company, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

<b>(Rs. in Lakhs)</b>								
<b>Sr. No.</b>	<b>Name of bank/ financial institution</b>	<b>Nature of Borrowing</b>	<b>Sanctioned Amount</b>	<b>Total outstanding amount as on December 31, 2023</b>	<b>Purpose of raising loan</b>	<b>ROI % (p.a.)</b>	<b>Pre-payment clause (if any)</b>	<b>Proposed to be repaid from IPO Proceed</b>
1.	Aditya Birla Finance Ltd	Business Loan	50.00	6.76	Working Capital	15.50%	2%	11.61
2.	Axis Bank Ltd	Business Loan	40.00	0.96	Working Capital	15.00%	2%	5.10
3.	Fullerton India Credit Co. Ltd	Business Loan	50.00	2.41	Working Capital	15.50%	2%	9.43
4.	IDFC First Bank Limited	Business Loan	48.96	4.97	Working Capital	15.00%	2%	9.75

Sr. No.	Name of bank/ financial institution	Nature of Borrowing	Sanctioned Amount	Total outstanding amount as on December 31, 2023	Purpose of raising loan	ROI % (p.a.)	Pre-payment clause (if any)	Proposed to be repaid from IPO Proceed
5.	Srestha Finvest Ltd.	Business Loan	425.00	425.00	Working Capital	15.50%	NIL	425.00
6.	Magma Poonawalla Fin. Ltd	Business Loan	35.00	7.10	Working Capital	16.00%	2%	10.24
7.	Standard Chartered Bank Ltd	Business Loan	10.74	10.74	Working Capital	9.25%	2%	10.74
8.	Felix Industries Ltd	Business Loan	126.00	126.00	Working Capital	15.00%	NIL	126.00
9.	Tata Capital Fin. Ser. Ltd.	Business Loan	32.75	4.43	Working Capital	15.50%	2%	6.56
	<b>Total</b>		<b>818.45</b>	<b>588.37</b>				<b>614.43</b>

*Note: the disbursed loan amount was utilized for business purpose and does not have any pre-payment penalty. The amount of Rs. 26.06 Lakhs deployed towards repayment of borrowings is incurred from internal accruals and shall be recouped out of the Issue proceeds.*

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 Peer Reviewed Statutory Auditor, viz, M/s. Maheshwari & Gupta, Chartered Accountant, certifying the utilization of loans for the purposes availed, our Company has obtained requisite certificate dated January 25, 2024, in this regard.

In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties and other related costs shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties, such excessive amount shall be met from our internal accruals.

No portion of the Net Proceeds, that will be utilised for repayment/ prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management or Group Companies.

### III. TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS

Our business is working capital intensive. We fund a majority of our working capital requirements in the ordinary course of business from various banks facilities and internal accruals.

#### a) Existing Working Capital:

Our Company's existing working capital based on the Restated Financial Information is stated below:

Particulars	(Rs. In Lakhs)							
	31-Mar-21 Audited	No. of Days	31-Mar-22 Audited	No. of Days	31-Mar-23 Audited	No. of Days	31- Aug.-23 Audited	No. of Days
<b>Current Assets</b>								
Inventories	1733.58	163	2048.58	124	2473.70	187	2866.84	197
Trade Receivables	759.29	56	777.46	38	723.44	42	919.83	46
Short Term Loans & Advances and Deposits	11.93		264.81		324.88		314.97	
Cash & Bank Balances	604.71		30.56		22.44		23.68	
Other Current Assets	124.05		63.46		59.11		86.55	

Particulars	31-Mar-21	No. of Days	31-Mar-22	No. of Days	31-Mar-23	No. of Days	31- Aug.-23	No. of Days
	Audited		Audited		Audited		Audited	
<b>Total (A)</b>	<b>3233.57</b>		<b>3184.87</b>		<b>3603.57</b>		<b>4211.86</b>	
<b>Current Liabilities</b>								
Sundry Creditors	748.53	70	1071.86	65	1130.14	85	1339.48	92
Other Current Liabilities	100.60		172.07		179.14		261.37	
<b>Total (B)</b>	<b>849.13</b>		<b>1243.93</b>		<b>1309.27</b>		<b>1600.85</b>	
<b>Working Capital Gap (C)= (A)- (B)</b>	<b>2384.44</b>		<b>1940.94</b>		<b>2294.30</b>		<b>2611.01</b>	
Less: Existing Bank Borrowings (D)	1182.73		953.43		1196.20		1298.51	
<b>Net Working Capital Requirement (E)= (C)- (D)</b>	<b>1201.71</b>		<b>987.51</b>		<b>1098.1</b>		<b>1312.50</b>	
<b>Funding Pattern</b>								
Internal Accruals / Owned Funds/ Borrowings	<b>1201.71</b>		<b>987.51</b>		<b>1098.1</b>		<b>1312.50</b>	
Proposed Working Capital to be funded from IPO	-		-		-		-	

**Justification for working capital requirement:**

**Working of change in working capital requirement during Stub Period compared to FY 2023**

Working Capital requirement for the Stub period will be Rs. 2,611.02 Lakhs as per stub period 31st Aug, 2023 in comparison to Rs. 2294.30 Lakhs in FY 2023 on restated basis. This increase is due to increase of inventory and trade receivables. Previously, in our business our company was not required to maintain a higher inventory level but due to increase in number of distributors and increase in turnover, we are required to maintain higher inventory levels to ensure uninterrupted production and sales. Consequently, inventory (raw material, packing material, WIP and finished goods) which was Rs. 2,473.70 Lakhs in FY 2023 increased to Rs. 2,866.84 Lakhs in FY 2023 and as a result trade receivables increased from Rs. 723.44 Lakhs to Rs. 919.83 Lakhs, showing increase of Rs. 196.39 Lakhs in order to avail better and favourable payment terms and timely supply of the raw material while we sell our products on credit terms requiring higher working capital. The trade receivables have been substantially increased due to increase in turnover and increased in the credit policy for the distributors hence working capital requirement from sundry debtors, our trade receivable cycle for Stub period is 1.53 Months (Approx 46 Days). Further, the company is looking forward to expand its network channels of dealers and distributors further into tier 2 and tier 3 cities of India and also introduce newer varieties of confectioneries for which it requires additional working capital.

**Working capital requirement during FY 2023 compared to FY 2022**

Working Capital requirement for the FY 2023 was Rs. 2,294.30 Lakhs as per 31st March, 2023 in comparison to Rs. 1,940.94 Lakhs in FY 2022 on restated basis. This increase is due to increase of inventory and trade receivables. This is due to expansion in product range, resulting in a wider variety of products and their packaging materials now being held in stock, thus we are required to maintain higher inventory levels to ensure uninterrupted production and sales. Consequently, inventory (raw material, packing material, WIP and finished goods) which was Rs. 2,048.58 Lakhs in FY 2023 increased to Rs. 2,473.70 Lakhs in FY. -The trade receivables are maintained at the same level as company has not made any modifications/ changed their credit policy for the distributors hence working capital requirement from Sundry Debtors have reduced by Rs. 54.02 Lakhs during FY 2023. As a standard practice, the credit period offered to our existing distributors is 40-45 days. This credit period allows the distributors enough time to sell the products and generate revenue before making the payment. Additionally, maintaining a credit policy of around 40-50

days helps in building strong relationships with our distributors and fosters trust and loyalty. The above table clearly demonstrates the significant decrease in the company's working capital requirement by Rs. 58.28 Lakhs, which can be attributed to the extended credit period obtained from suppliers. This has been made possible due to the trust established with the company, enabling successful negotiations for improved credit terms and enhanced cash flow management.

### **Working capital requirement during FY 2022 compared to FY 2021**

Working Capital requirement for the FY 2022 was Rs.1,940.94 Lakhs as per 31st March, 2022 in comparison to Rs. 2,384.44 Lakhs in FY 2021 on restated basis. This decrease is due to Cash and Bank balance have been decreased due to change in working capital bank from Indusind bank to HDFC bank which helps the company to dilute its Fixed Deposits of around 520 lacs which was used as a collateral by the Indusind bank which has reduced working capital requirement by Rs. 574.15 Lakhs. But otherwise there was increase of inventory and marginally in trade receivables. This is due drastic increase in turnover from by more than 50% from FY 2021 and consequently, inventory (raw material, packing material, WIP and finished goods) which was Rs. 1,733.58 Lakhs in FY 2022 increased to Rs. 2,048.58 Lakhs in FY. -The trade receivables are maintained at the same level as company has not made any modifications/ changed their credit policy for the distributors hence working capital requirement from Sundry Debtors have marginally increased by Rs. 18.17 Lakhs during FY 2022. The above table clearly indicate the significant decrease in the company's working capital requirement by Rs. 323.33 Lakhs, which can be attributed to the extended credit period obtained from suppliers. This has been made possible due to the trust established with the company, enabling successful negotiations for improved credit terms and enhanced cash flow management.

### **Future Working Capital Requirements**

Our Company proposes to utilize Rs. 600 Lakhs of the Net Proceeds to meet its estimated working capital requirements. This will be utilized during Fiscal 2024 towards our Company's additional working capital requirements. The balance portion of our Company working capital requirement shall be met from the internal accruals, borrowings and/ or own funds. The incremental and proposed working capital requirements and the assumption underlying the justification for periods of holding levels for Fiscal 2024.

As approved by the Board pursuant to a resolution dated September 25, 2023, are mentioned below. Our Company's incremental and proposed working capital requirements for Fiscal 2024 and the proposed funding of such working capital requirements are as set out in the table below:

<b>Particulars</b>	<b>31-Mar-24</b>	<b>No. of Days</b>
	<b>Estimated</b>	
<b>Current Assets</b>		
Inventories	3261.19	175
Trade Receivables	1228.29	51
Short Term Loans & Advances and Deposits	323.43	
Other Current Assets	78.97	
<b>Total (A)</b>	<b>4891.88</b>	
<b>Current Liabilities</b>		
Sundry Creditors	931.77	50
Other Current Liabilities	224.13	
<b>Total (B)</b>	<b>1155.90</b>	
<b>Working Capital Gap (C)= (A)- (B)</b>	<b>3735.98</b>	
Less: Existing Bank Borrowings (D)	1298.50	
<b>Net Working Capital Requirement (E)= (C)- (D)</b>	<b>2437.48</b>	
<b>Funding Pattern</b>		
Internal Accruals / Owned Funds/ Borrowings	<b>1837.48</b>	
Proposed Working Capital to be funded from IPO	<b>600.00</b>	

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

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Inventories:	We maintain inventories at levels to achieve cost competitiveness and shorter lead times. We need to maintain inventory at efficient levels. In Fiscal 2021, Fiscal 2022 and Fiscal 2023 our inventory days were 163 days, 124 days and 187 days respectively. We have estimated 175 days of inventory for the Fiscal ended March 31, 2024, to ensure adequate availability of the raw material at a more competitive price.
2	Trade receivables	In Fiscal 2021, 2022 and 2023 our receivable days were 56 days, 38 days and 42 days respectively. Due to business growth and an anticipation in the sales volume, we estimate the receivable levels at 51 days for fiscal 2024. Further, due to reasons mentioned above, we expect an increase in receivable levels as we are looking forward to expand our network channels of dealers and distributors further into tier 2 and tier 3 cities of India for which we need additional inventory at higher credit periods.
3	Other current assets including other financial assets	The key items under this head are advance to staff, other advances, prepaid expenses, advance to with statutory authorities, advance to suppliers etc.
<b>Current Liabilities</b>		
4	Trade payables	Our trade payables have been for 70 days, 65 days and 85 days for fiscal 2021, 2022 and 2023 respectively. However, going forward we estimate to maintain payables at 50 days for Fiscal 2024 to avail best pricing and purchase from large suppliers in advance. Further since we will maintain inventories at higher levels, due to increase in turnover, we estimate a decline in payable days to get better term from our suppliers.
5	Other current liabilities	Other current liabilities include statutory dues, advance from customers, provision for taxes and provision for employee benefit and other liabilities etc

Above details about working capital have been certified by M/s. Maheshwari & Gupta, Chartered Accountants, by their certificate dated October 03, 2023.

#### IV. GENERAL CORPORATE EXPENSES

Our Company proposes to deploy the balance Net Proceeds aggregating to Rs. 571.17 Lakhs towards general corporate purposes. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board, subject to compliance with 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 business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. However, we confirm that the amount for general corporate purposes, as mentioned in objects of the issue, shall not exceed twenty-five per cent of the fresh issue amount raised by our Company.

#### V. TO MEET THE EXPENSES OF THE ISSUE

The total expenses of the Offer are estimated to be approximately Rs. 80.00 lakhs. The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Offer expenses are as follows:

<b>(Rs. In Lakhs)</b>				
Sr. No.	Particulars	Estimated expenses @	As a % of the total estimated Offer expenses	As a % of the total Offer size
1.	Payment to Merchant Banker including, underwriting, and selling commissions, brokerages, Advisors to the Company, payment to	60.00	75.00	2.25

Sr. No.	Particulars	Estimated expenses @	As a % of the total estimated Offer expenses	As a % of the total Offer size
	other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses			
2.	Advertising and marketing expenses	4.00	5.00	0.15
3.	Printing & Stationery, Distribution, Postage	3.00	3.75	0.11
4.	ROC, Regulatory and other expenses including Listing Fee	13.00	16.25	0.49
	<b>Total estimated Issue expenses</b>	<b>80.00</b>	<b>100.00</b>	<b>3.00</b>

@ please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.

### Bridge Financing Facilities

As of the date of this Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceed subject to the necessary compliances with the applicable laws, rules and regulations.

### Appraisal by Appraising Agency

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

### Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, for the necessary duration. 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 the equity shares of any other listed company.

### Monitoring of Issue Proceeds

As the size of the Offer will not exceed Rs. 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Offer Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### Variation 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 Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities, or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates, or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the chapter titled “**Business Overview**” and its financial statements under the section titled “**Financial Information**” beginning on pages 20, 91 and 143 respectively including important profitability and return ratios, as set out in “**Annexure 32**” under the section titled Financial Information of the Company on page 167 to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/their investment.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph ‘**Our Competitive Strengths**’ in the chapter titled ‘**Business Overview**’ beginning on page no. 92 of this Prospectus.

### **Quantitative Factors (Based on Restated Financial Statements)**

#### **1. Basic & Diluted Earnings Per Share (EPS):**

Period	Basic and Diluted EPS (In Rs.)	Weights
Fiscal 2021	0.81	1
Fiscal 2022	0.75	2
Fiscal 2023	2.43	3
<b>Weighted Average</b>	<b>1.60</b>	
<b>For 5 months period ending on 31-08-2023 *</b>	<b>1.93</b>	

\*Not Annualized

#### **Notes:**

- (i) Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
- (ii) The face value of each Equity Share is Rs.10.00.
- (iii) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure 4.
- (iv) Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.
- (v) Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
- (vi) The figures disclosed above are based on the Restated Financial Statements of our Company.

#### **2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 68.00:**

- i) Based on the basic and diluted EPS of Rs. 1.93 as per restated financial statements for the period ended August 31, 2023, the P/E ratio is 35.23.
- ii) Based on the basic and diluted EPS of Rs. 2.43 as per restated financial statements for the period ended March 31, 2023, the P/E ratio is 27.98.
- iii) Based on the weighted average EPS of Rs. 1.60, as per restated financial statements the P/E ratio is 42.50.

#### **iv) Industry P/E**

<b>(i) Highest</b>	-
<b>(ii) Lowest</b>	(156.33)
<b>(iii) Average</b>	(156.33)

*Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “Peer Competitors – Comparison of Accounting Ratios” at point 6 below.*

#### **3. Average Return on Net Worth (RoNW):**

Period	Return on Net Worth (%)	Weights
Fiscal 2021	14.82	1
Fiscal 2022	9.85	2
Fiscal 2023	24.50	3
<b>Weighted Average</b>	<b>18.00</b>	
<b>For 5 months period ending on 31-08-2023 *</b>	<b>16.28</b>	

\*Not Annualized

Note:

(i) The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated, by Net Worth (excluding revaluation reserve, if any) as at the end of the year/ period excluding miscellaneous expenditure to the extent not written off.

#### 4. Net Asset Value (NAV) per Equity Share:

Particulars	NAV (in Rs.)
As on March 31, 2023	62.90
As on August 31, 2023	11.86
NAV after the Issue	26.75
Issue Price per Equity share	68.00

Note:

- NAV per Equity Share will be calculated as net worth divided by number of equity shares outstanding at the end of the year.

#### 5. Peer Competitors - Comparison of Accounting Ratios:

Name of the Company	CMP	Face Value (In Rs.)	EPS (In Rs.) **	P/E Ratio **	RONW (%) **	NAV (In Rs.) **	Total Revenue from Operations (Rs. In Lakhs)
Italian Edibles Limited***	68.00	10.00	2.43	27.98	24.50	62.90	6321.20
Lotus Chocolate Company Limited	388.95#	10.00	(5.42)	(71.76)	-	(5.09)	6271.80
Tapi Fruit Processing Limited	166.65##	10.00	(0.67)	(248.73)	(2.47)	20.06	2067.21

#Closing price on January 20, 2024 at BSE and for our Company it is considered as issue price.

##Closing price on January 20, 2024 at NSE and for our Company it is considered as issue price.

\*\*Source: Money Control; based on FY 2023 financial statements.

\*\*\*Based on March 31, 2023 restated financial statements.

Considering the nature, range of products/services, turnover and size of business of the Company, the peer is not strictly comparable. However, above Company has been included for broad comparison.

#### 6. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 03, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this

Prospectus. Further, the KPIs herein have been certified by M/s. Maheshwari & Gupta, Chartered Accountants, by their certificate dated October 03, 2023.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

## 6.1 Financial KPIs of our Company

Particulars	As at 31-08-2023 #	As at		
		31-March-2023	31-March-2022	31-March-2021
Revenue from Operations (Rs. in Lakhs)	3,051.70	6,321.20	7,541.15	4,890.36
Total Income (Rs. in Lakhs)	3,052.16	6,330.09	7,545.25	4,899.44
EBITDA <sup>(1)</sup> (Rs. in Lakhs)	399.31	690.76	437.22	359.59
EBITDA margin (%) <sup>(2)</sup>	13.08	10.91	5.79	7.34
PAT (Rs. in Lakhs)	209.68	264.21	80.21	86.52
PAT margin (%)	6.87	4.17	1.06	1.77
Net Debt <sup>(3)</sup> (Rs. in Lakhs)	1871.79	1708.11	1784.67	1888.27
Total Equity (Net Worth) (Rs. in Lakhs)	1287.92	1078.24	814.03	583.82
Capital Employed * (Rs. in Lakhs)	3028.79	2702.19	2523.62	2954.68
ROE (%) <sup>(4)</sup>	16.28	24.50	9.85	14.82
ROCE (%) <sup>(5)</sup>	11.55	19.32	12.16	9.17
EPS (Basis & Diluted) <sup>(6)</sup>	1.93	2.43	0.75	0.81

# not annualized

- 1) EBITDA = Profit before tax + depreciation & amortization expense + finance cost
- 2) EBITDA Margin = EBITDA/ Total income.
- 3) Net debt = Non-current borrowing + current borrowing - Cash and Cash Equivalent and Bank Balance.
- 4) ROE = Net profit after tax /Total equity.
- 5) ROCE = Profit before tax and finance cost / Capital employed\*  
\*Capital employed = Total Equity +Non-current borrowing + current Borrowing – Intangible Assets
- 6) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period.

### Explanation for KPI metrics

Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets

Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
ROE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

**6.2 Set forth below are the details of comparison of key performance of indicators with our listed industry peer:**

Particulars	Lotus Chocolate Company Limited	Tapi Fruit Processing Limited
	31-March-2023	31-March-2023
Revenue from Operations (Rs. in Lakhs)	6271.80	2067.21
Total Income (Rs. in Lakhs)	6296.48	18392.25
EBITDA <sup>(1)</sup> (Rs. in Lakhs)	718.14	91.74
EBITDA margin (%) <sup>(2)</sup>	11.41	0.50
PAT (Rs. in Lakhs)	-695.67	1923.00
PAT margin (%)	-11.05	10.46
Net Debt <sup>(3)</sup> (Rs. in Lakhs)	527.17	34.13
Total Equity (Net Worth) (Rs. in Lakhs)	47062	47062
Capital Employed * (Rs. in Lakhs)	653.52	833.38
ROE (%) <sup>(4)</sup>	-1.48	4.09
ROCE (%) <sup>(5)</sup>	111.03	4.31
EPS (Basis & Diluted) <sup>(6)</sup>	-5.42	-0.67

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/ period to compute the corresponding financial ratios.

- 1) EBITDA = Profit before tax + depreciation & amortization expense + finance cost
- 2) EBITDA Margin = EBITDA/ Total income.
- 3) Net debt = Non-current borrowing + current borrowing - Cash and Cash Equivalent and Bank Balance.
- 4) ROE = Net profit after tax /Total equity.
- 5) ROCE = Profit before tax and finance cost / Capital employed\*  
\*Capital employed = Total Equity +Non-current borrowing + current Borrowing – Intangible Assets
- 6) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period.

**7. Weighted average cost of acquisition**

**a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)**

Other than as mentioned below, there has been no issuance of Equity Shares or convertible securities, other than Equity Shares issued as disclosed below, during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Total Consideration (in Rs.)
03-08-2023	91,42,864	10	Nil	Bonus Issue in the ratio of 3:16	Other than Cash	0.00
<b>Total</b>						<b>0.00</b>
<b>Weighted average cost of acquisition (WACA) per Equity Share</b>						<b>0.00</b>

**b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)**

Other than as mentioned below, there have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue Price /Acquisition Price / Transfer price per Equity Share (in Rs.)	Nature of Consideration	Percentage of Pre Issue Equity Share Capital (%)
Akshay Makhija	Transfer	150	10.00	60.00	Cash	Negligible

\* Transfer of 150 Equity Shares to Mrs. Minakshi Makhija-30 Equity Shares; Mrs. Anjali Makhija-30 Equity Shares; Ms. Nishma Vaswani-30 Equity Shares; Mr. Sudhir Vaswani-30 Equity Shares; Mr. Jatin Vaswani-30 Equity Shares.

**c) Weighted average cost of acquisition, offer price**

Types of transactions	Weighted average cost of acquisition (Rs. per Equity Shares)	Offer Price (i.e. Rs. 68.00)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	Nil	N.A.
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	Nil	N.A.

8. The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Issue Price of Rs. 68.00 /- per Equity Share is 6.8 times the face value.
9. The Issue Price of Rs. 68.00 is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled '*Risk Factors*', and chapters titled '*Business Overview*' and '*Restated Financial Statement*' beginning on page no. 20, 91 and 143, respectively of this Prospectus.

## STATEMENT OF TAX BENEFIT

To,  
The Board of Directors,  
**ITALIAN EDIBLES LIMITED**  
309/1/1/8 Block No.03, Mangal Udhyog Nagar,  
Gram Palda, Indore-452020,  
Madhya Pradesh, India

**Sub: Statement of possible special tax benefits (“the Statement”) available to Italian Edibles Limited (“the Company”) and its shareholders is prepared in accordance with Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)**

Dear Sir/ Madam,

We hereby report that this certificate along with the annexure (hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2022 (i.e. applicable to F.Y. 2023-2024 relevant to A.Y. 2024-25) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax [GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which based on business imperatives which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the preparation of enclosed statement and the contents stated therein is not exhaustive and is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed public issue, particularly in view of ever-changing tax laws in India. Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

Our views are based on facts indicated to us, the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any such events subsequent, which may have a material effect on the discussions herein. Our views are exclusively for the limited use of the captioned Company in connection with its proposed public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate along with the annexure is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Prospectus / Prospectus (Offer Document) in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

The said confirmation is being made in accordance with the terms of engagement between us and the Client M/s. Italian Edibles Limited (hereinafter the “Company”). The preparation of the Statement is the responsibility of the Management of the company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for ensuring that the Company complies with the requirements of the Bankers & Tender Documents and provides all relevant information to those parties. Pursuant to the requirements of those entities, it is our responsibility to provide a reasonable assurance whether the amounts in the Statement that form part of the computation have been accurately extracted from the audited financial statements for the year ended; and the computation thereof is arithmetically correct. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control, and Other Assurance and Related Services Engagements. This certificate is issued in the capacity of the Statutory Auditors of the Company at the specific request of the management for the purpose of onward submission to those mentioned above and should not be used for any other purposes.

**Yours faithfully,**

**For & on behalf of**  
M/S Maheshwari & Gupta  
**Chartered Accountants,**

CA Sunil Maheshwari  
**Membership No:** 403346  
**Firm Registration No:** 006179C  
**Date:** 03/10/2023  
**Place:** Indore  
**UDIN:** 23403346BGUKQH3304

## ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2023-24. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

### A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act.

### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

#### Notes:

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y. 2023-24 relevant to A.Y. 2024-25.
- 4) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For & on behalf of**  
M/S Maheshwari & Gupta  
**Chartered Accountants,**

CA Sunil Maheshwari  
**Membership No:** 403346  
**Firm Registration No:** 006179C  
**Date:** 03/10/2023  
**Place:** Indore  
**UDIN:** 23403346BGUKQH3304

## SECTION VIII – ABOUT US

### INDUSTRY OVERVIEW

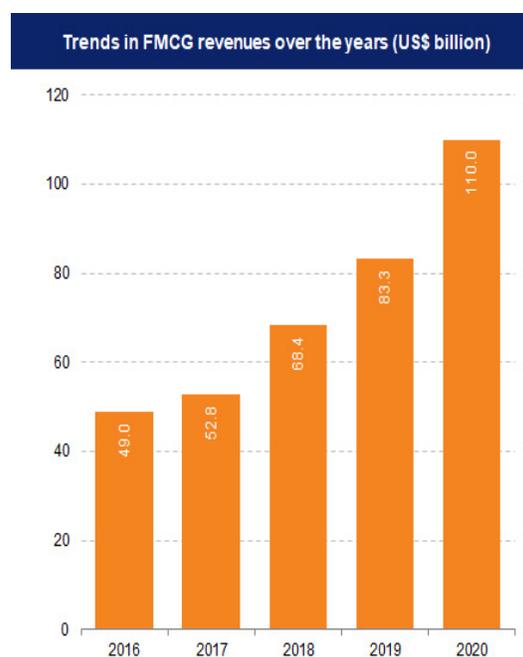
Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. You should read the entire Prospectus, including the information contained in the sections titled “**Risk Factors**” and “**Restated Financial Statements**” and related notes beginning on page no. 20 and 143 of this Prospectus.

#### Introduction

*The FMCG sector in India expanded due to consumer-driven growth and higher product prices, especially for essential goods. Fast-moving consumer goods (FMCG) sector is India’s fourth-largest sector and has been expanding at a healthy rate over the years because of rising disposable income, a rising youth population, and rising brand awareness among consumers. FMCG sales in the country was expected to grow 7-9% by revenues in 2022-23. The key growth drivers for the sector include favourable Government initiatives & policies, a growing rural market and youth population, new branded products, and growth of e-commerce platforms. Resilience needs to be the key factor in the manufacturing process, daily operations, retail and logistic channels, consumer insights and communication that will help FMCG companies to withstand the test of time and create more value for consumers in the long run.*

#### Market Size

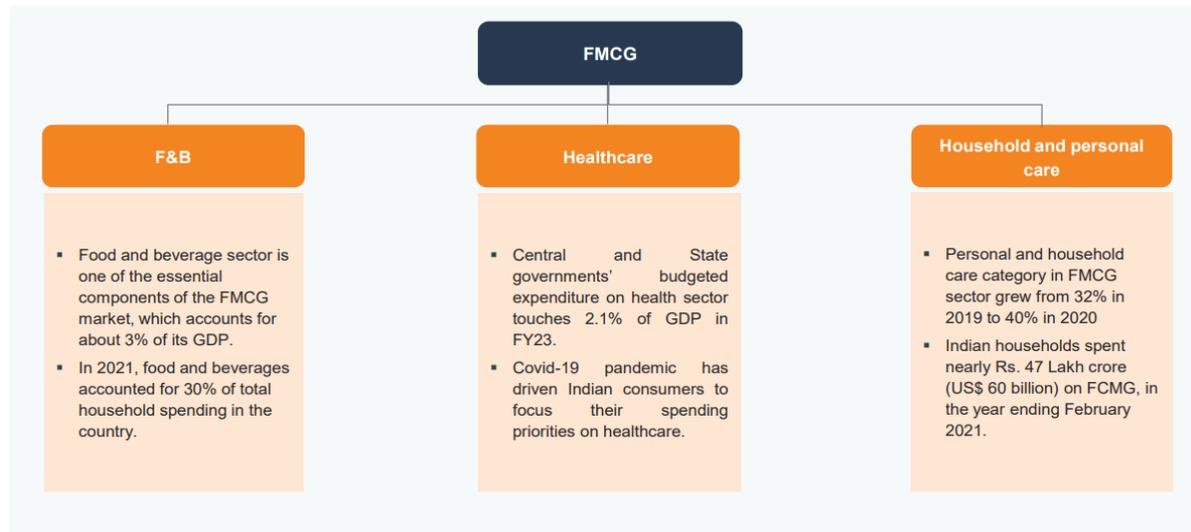
- FMCG market reached US\$ 56.8 billion as of December 2022. Total revenue of FMCG market is expected to grow at a CAGR of 27.9% through 2021-27, reaching nearly US\$ 615.87 billion
- In 2022, urban segment contributed 65% whereas rural India contributed more than 35% to the overall annual FMCG sales.
- Digital advertising will grow at 14.75% CAGR to reach Rs. 35,809 crore (US\$ 4.3 billion) by 2023, with FMCG industry being the biggest contributor at 42% share of the total digital spend.
- India includes 780 million internet users, where an average Indian person spends around 7.3 hours per day on their smartphone, one of the highest in the world. Number of active internet users in India will increase to 900 million by 2025 from 759 million in 2022. In 2021, India’s consumer spending was US\$ 1,891.90 billion. Indian villages, which contribute more than 35% to overall annual FMCG sales, are crucial for overall revival of the sector. E-commerce now accounts for 17% of the overall FMCG consumption among evolved buyers, who are affluent and make average spends of about Rs. 5,620 (US\$ 68).
- India’s e-commerce industry recorded a 36.8% year-on-year growth in 2022. Indian e-commerce market is anticipated to reach a value of Rs. 26,459.18 billion (US\$ 319.3 trillion) by the end of 2027, expanding at a CAGR of ~26.71% during the 2022-27 period. The market has grown exponentially over the past five years due to the surge in internet and smartphone users, improved policy reforms, and increase in disposable income.



Mobile wallets, Internet banking, and debit/credit cards have become popular among customers for making transactions on e-commerce platforms. As of 2021, there were 1.2 million daily e-commerce transactions. The total value of digital transactions stood at US\$ 300 billion in 2021 and is projected to reach US\$ 1 trillion by 2026.

- The India online grocery market size has been projected to grow from US\$ 4,540 million in 2022 to US\$ 76,761.0 million by 2032, at a CAGR of 32.7% through 2032.
- Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.

### Three main Segment of FMCG



### Advantages To FMCG Sector

- Growing demand
  1. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.
  2. Rural India is witnessing increased demand for quality goods and services driven by upgraded distribution channels of FMCG companies.
  3. Rising digital connectivity in cities and rural areas is driving the demand for FMCG (through ecommerce portals).
- Higher investments
  1. In September 2021, Pepsico Commissioned Its Rs. 814 Crore (US\$ 109.56 Million) Kosi Kalan Foods Facility In Mathura, Uttar Pradesh; It Is The Company's Largest Greenfield Manufacturing Investment In India.
  2. In October 2021, Procter & Gamble Announced an Investment Of Rs. 500 Crore (US\$ 66.8 Million) In Rural India.
- Policy support
  1. Investment approval of up to 100% foreign equity in single brand retail and 51 % in multi-brand retail.
  2. The union government's production linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
  3. The minimum capitalisation for foreign FMCG companies to invest in India is US\$ 100 million.
- Attractive opportunities
  1. Low penetration levels in rural market offers room for growth.
  2. Dabur stepping-up product launches to sell only on E-commerce platforms.
  3. Disposable income in rural India has increased because of the direct cash transfer scheme.
  4. Exports is another growing segment.

5. E-commerce segment is forecast to contribute 11% to the overall FMCG sales by 2030.

### ***Growth drivers for India's FMCG sector***

#### **➤ Shift To Organised Market**

Consumers in India's metro cities are increasingly shifting to supermarket chains, and even ordering their groceries online, prompting the two organized retail formats accounting for roughly 30% of FMCG sales in the country's metro cities

#### **➤ Increase In Penetration**

1. FMCG sector is more lucrative because of low penetration levels, well-established distribution network, low operating cost, lower per capita consumption, large consumer base and simple manufacturing processes for most products resulting in fairly low capital investments
2. In 2022, UAE announced to invest US\$ 2 billion to develop a series of integrated food parks across India that will incorporate state-of-the-art climate smart technologies to reduce food waste and spoilage, conserve fresh water, and employ renewable energy sources.

#### **➤ Rural Consumption**

1. With increasing disposable income in rural India as well as low penetration levels, the rural market provides huge growth opportunities for FMCG players.
2. Growth in rural consumption has increased and hence there is an increased demand for branded products in this huge untapped market

#### **➤ Easy Access**

Due to e-commerce's accessibility throughout the nation, whether in rural or urban areas, there has been a discernible shift in demand. It offers greater consumer convenience because customers can easily choose and buy the products of their choice using apps and websites. Moreover, the home delivery option will deliver the goods to their homes

#### **➤ Premium Products**

1. With the rise in disposable income, mid- and high-income consumers in urban areas have shifted their purchase trend from essential to premium products.
2. Premium brands are manufacturing smaller packs of premium products. Example: Dove soap is available in 50g packaging
3. Nestle is looking to expand its portfolio in premium durables cereals, pet care, coffee, and skin health accessing the potential in India

### ***Investments***

Some of the recent developments in the FMCG sector are as follows:

1. In January 2023, Hindustan Unilever Limited and UNDP announced the launch of an "Inclusive Circular Economy" project focusing on end-to-end management of plastic waste by promoting the segregation of waste at source, collection of the segregated waste.
2. In November 2022, ITC collaborates with IIT Delhi to strengthen crop residue management programme in north India and to develop a Geographical Information Systems (GIS) tool to track, monitor and identify areas where stubble-burning is practised and where it is not.
3. FMCG ad volumes on television rose by 33% in the year 2021 when compared to 2019. The growth was 22% when compared to the year 2020. The top 10 advertisers on TV accounted for a 60% share of ad volumes in the year 2021 with HUL topping the list, followed by Reckitt Benckiser (India), and Brooke Bond Lipton India.
4. In December 2022, Hindustan Unilever Limited announced its foray into the 'Health & Wellbeing' category through strategic investments in Zywie Ventures Private Limited ("OZiva") and Nutritionalab Private Limited ("Wellbeing Nutrition").
5. In February 2023, women wellness brand Nutrizoe has introduced new flavours for its lactation-aiding bar Lactobites and nausea-inhibiting oral strips Nail the Nausea.
6. In January 2023, Heritage Foods Ltd, one of India's leading dairy players, has announced the launch of GlucoShakti, a whey-based instant energy drink that revitalises hardworking youth, when strenuous physical work drains them.
7. In 2023, BCS Globals, a UAE based food & beverage company, forays into the Indian energy drink market with the launch of one-of-its kind brand Wox and plans to introduce a diversified product portfolio.

8. In 2023, Inspired by Japanese beauty secrets, Keomi Beauty recently kick-started its journey in the Indian beauty and skincare space
9. In December 2022, Reliance Group launched its FMCG brand “Independence” in Gujarat which will bring a wide choice of high quality and affordable products including edible oils, pulses, grains, packaged foods, and other daily need products.
10. Amazon aims at making all shipments net-zero carbon, with 50% net zero carbon by 2030.
11. In 2021-22, Dabur India has become a complete plastic waste neutral firm in the country after collecting, processing, and recycling around 27,000 metric tonnes of post-consumer plastic waste.
12. In 2021-22, over 300 million FMCG bottles have been produced from Banyan's recycled plastic for clients that include Hindustan Unilever, Reckitt, Shell and HPCL.
13. In 2021, Colgate-Palmolive, the oral care giant has launched recyclable toothpaste tubes in India as a part of its commitment to sustainability.
14. In 2021, Myntra partnered with Better Cotton Initiative as a part of promoting sustainable cotton farming practices.
15. According to a joint report released by industry body FICCI and property consultancy firm Anarock, Indian e-commerce market is expected to reach US\$ 120 billion by 2026 from US\$ 38 billion in 2021
16. In October 2022, Dabur acquired 51% stake in Badshah Masala Private Limited for Rs. 587.52 crore, (US\$ 71.81 million) less proportionate debt as on the closing date, with the Badshah enterprise being valued at Rs. 1,152 crore (US\$ 140.81 million).
17. In July 2022, Chief Minister of Uttar Pradesh Mr. Yogi Adityanath, inaugurated HUL’s ultra-modern factory in Sumerpur with a total investment of Rs. 700 crore (US\$ 88.07 million) planned by 2025.
18. In July 2022, Emami acquired 30% stake in Cannis Lupus to enter into the petcare segment in India.
19. In July 2022, Godrej Consumer Products Limited (GCPL), unveiled Godrej Magic Bodywash, India’s first ready-to mix bodywash at just Rs. 45 (US\$ 0.57).
20. In June 2022, PepsiCo India announced its expansion plans for its largest greenfield foods manufacturing plant that produces the popular Lay’s potato chips in Kosi Kalan, Mathura in Uttar Pradesh with an investment of Rs. 186 crore (US\$ 23.84 million).
21. In April 2022, Dabur India announced plans to induct a fleet of 100 Electric Vehicles in its supply chain for last-mile product distribution.
22. In March 2022, Emami acquired Dermicool from Reckitt for Rs. 432 crore (US\$ 55.37 million)
23. In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indane LPG consumer households across India.
24. In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000 MT of post-consumer plastic three months early.
25. In February 2022, Marico Ltd has announced aims to achieve net-zero emissions by 2040 in its global operations.
26. In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL’s strategic intent to expand into value-added categories.
27. In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands including Lipton, PG Tips, Pukka Herbs and TAZO.
28. In November 2021, McDonald’s India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald’s restaurants in South and West India, primarily catering to children aged 3–12 years.
29. In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8 million) in rural India.
30. In September 2021, Vahdam India, an Indian tea brand, raised Rs. 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC’s Private Equity Fund.
31. In September 2021, RP-Sanjiv Goenka Group entered the personal-care segment by launching skin and haircare products, aiming at a revenue of Rs. 400-500 crore (US\$ 53.84-67.30 million) in the next 4-5 years.
32. In September 2021, Adani Wilmar announced the opening of physical stores under the name ‘Fortune Mart’ that will exclusively sell Fortune and other Adani Wilmar brand products.

### ***Government Initiatives***

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

1. The Union Budget 2023–2024 offers incentives for advances in food infrastructure research & development, and innovation, which is extremely encouraging for the FMCG sector’s modest growth.

2. The government's initiative to promote millets for its health benefits would increase the consumption and production of the millets in the nation. To support this, the government declared that the Indian Institute of Millet Research in Hyderabad will become a worldwide centre of excellence for the exchange of best practices, knowledge, and innovations.
3. In 2022, Government announced that the food processing industry has invested Rs. 4,900 crore (US\$ 593 million) so far under the PLI scheme, which was approved in March 2021, with a budget outlay of Rs. 10,900 crore (US\$ 1.3 billion), likely to increase sales and exports of food products.
4. A total of 182 applications have been approved under the PLI scheme for the food processing industry. This includes 30 applications for millets-based products under the PLI scheme (8 large entities and 22 SMEs)
5. In 2022, a total of 112 food processing projects were completed and operationalized, leveraging the private investment of Rs. 706.04 crore (US\$ 85.4 million) and generating direct and indirect employment for 25,293 people.
6. To boost the food processing sector, the Centre has permitted under the Income Tax Act a deduction of 100% of profit for five years and 25% of profit in the next five years in case of new agro-processing industries set up to package and preserve fruits and vegetables.
7. Excise Duty of 16% on dairy machinery has been fully waived off and excise duty on meat, poultry and fish products has been reduced from 16% to 8%.
8. An amount of Rs. 1,000 crore (US\$ 120.7 million) is being set up initially in NITI Aayog for SETU for setting up of incubation centres and enhance skill development to facilitate the startup ecosystem in the country while improving the ease of doing business.
9. The governments' incentives and the FDI funds have helped the FMCG sector strengthen employment, establish a more robust supply chain, and capture high visibility for FMCG brands across established retail markets.
10. Union Budget 2023-24 has allocated US\$ 976 million for PLI schemes that aims to reduce import costs, improve the cost competitiveness of domestically produced goods, increase domestic capacity, and promote exports. As per the Union Budget 2022-23:
  11. Rs. 1,725 crore (US\$ 222.19 million) has been allocated to the Department of Consumer Affairs
  12. Rs. 215,960 crore (US\$ 27.82 billion) has been allocated to the Department of Food and Public Distribution.
13. In 2021-22, the government approved Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) with an outlay of Rs. 10,900 crore (US\$ 1.4 billion) to help Indian brands of food products in the international markets.
14. The government's production-linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
15. In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
16. Companies are counting on recent budget announcements like the direct transfer of 2.37 lakh crore (US\$ 30.93 billion) in minimum support payment (MSP) to wheat and paddy farmers and the integration of 150,000 post offices into the core banking system to expand their reach in rural India.
17. The Government of India has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail.
18. The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable, and timely delivery of justice to consumers.
19. The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0-5% and 12-18% respectively.
20. GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing

### ***Road Ahead***

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India. On the other hand, with the share of the unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with an increased level of brand consciousness, augmented by the growth in modern retail. Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form most of the workforce, and due to time constraints, barely get time for cooking. Online portals are expected to play a key role for companies trying to enter the hinterlands. The Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India

is likely to reach 1 billion by 2025. It is estimated that 40% of all FMCG consumption in India will be made online by 2020. E-commerce share of total FMCG sales is expected to increase by 11% by 2030. It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetisation are expected to drive demand, both in the rural and urban areas and economic growth in a structured manner in the long term and improved the performance of companies within the sector.

(Source: <https://www.ibef.org/industry/fmcg>)

## INDIA CONFECTIONERY MARKET

### Market Overview:

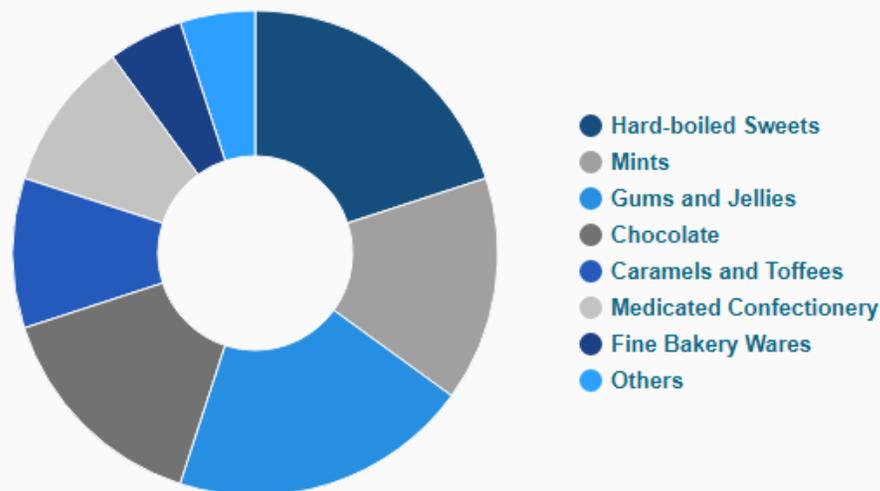
The India confectionery market size reached INR 338.2 Billion in 2022. Looking forward, IMARC Group expects the market to reach INR 485.9 Billion by 2028, exhibiting a growth rate (CAGR) of 6.3% during 2023-2028.

Confectionery refers to a wide range of food products that are rich in sugar and other sweeteners. They are prepared by using several ingredients, such as stabilizers, emulsifiers, gelling, flavoring, and thickening agents, which assist in enhancing the texture, taste, appearance, and elasticity of products. Confectionery items commonly include chocolates and non-chocolate candies, such as gum, ice cream, frozen desserts, sweet baked goods, etc. These products are widely available across supermarkets, online platforms, retail shops, bakery stores, hypermarkets, etc.

### India Confectionery Market Trends:

The emerging trend of gifting confectionery products, especially during festivals or special events such as birthdays, anniversaries, social meetings, etc., is primarily driving the Indian confectionery market. Additionally, the elevating levels of urbanization, improving consumer living standards, and increasing popularity of imported chocolates and candies, are some of the other key factors augmenting the sales of confectionery products in the country. Besides this, several key players are introducing limited-edition, premium confectionery products that are fortified with high-quality nuts, grains, and cereals. This, in confluence with the growing consumer per capita expenditures, are creating a positive outlook for the regional market. Moreover, the growing popularity of sugar-free confectioneries on account of the rising health concerns regarding cardiovascular diseases, obesity, diabetes, etc., is also propelling the product demand. Apart from this, the introduction of clean-label, cruelty-free, vegan, organic, and sustainably sourced confectionery products with no chemical additives and reduced allergens is further catalyzing the market growth. Numerous other factors, such as continuous advancements in ambient storage conditions and the advent of anti-microbial packaging solutions, are expected to drive the India confectionery market over the forecast period.

India Confectionery Market Share, By Product Type (in %)



(Source: [www.imarcgroup.com/india-confectionery-market](http://www.imarcgroup.com/india-confectionery-market))

## JAGGERY AND CONFECTIONARY

Jaggery is an unrefined natural sugar that is produced without adding any chemicals. More than 70% of the total world jaggery production is done in India. Jaggery is popularly known as the “medicinal sugar” and is nutritionally comparable with honey. It has been used as a sweetener in Ayurvedic Medicine for 3000 years. Indian Ayurvedic medicine considers jaggery to be beneficial in treating throat and lung infections. While refined sugar mainly consists of glucose and fructose, jaggery contains glucose and sucrose. But jaggery also has minerals and vitamins which lack refined sugar. The mineral content of jaggery includes calcium, phosphorus, magnesium, potassium and iron and traces of zinc and copper. The vitamin content includes folic acid and B-complex vitamins. Thus, other than that it is a good source of energy, it also prevents rheumatic afflictions; prevents disorders of bile; helps in relieving fatigue, relaxation of muscles, nerves and blood vessels; maintains blood pressure and reduces water retention; increases hemoglobin level and prevents anemia. Bakery and confectionery products are furnished with nutrients, vitamins, and proteins. These are offered in a spectrum of delicious stuff in baked products like biscuits, bread, cakes, pastries, buns, rusks and rolls, etc.

Another side of the items ranges to chocolates, hard-boiled sweets, chewing gum, etc. Revenue in the Bread & Bakery Products segment amounts to US\$154.30bn in 2022. The market is expected to grow annually by 7.90% (CAGR 2022-2027). The Indian bakery market stood at a value of nearly USD 7.60 billion in 2020. The market is further estimated to grow at a CAGR of 8.5% between 2021 and 2026.

Revenue in the Bread segment amounts to US\$46.65bn in 2022. The market is expected to grow annually by 8.15% (CAGR 2022-2027). India bread market is projected to grow at over 10% and reach nearly \$1.4 billion by FY 2026 on account of rising awareness about healthy lifestyle. India Biscuits Market is growing at the CAGR of 12.4 % and touched USD 5,151.2 Million in 2020. The market is expected to reach USD 11,792.3 Million by 2027.

The individual products under this sub-head are as below:

- Cane Jaggery
- Palmyra Jaggery
- Raw Cane Jaggery
- Sugar Confectionery
- Chocolates
- Chewing gum

#### **India Facts and Figures:**

As the major producer of Jaggery, the country has been recognized as one of the leading traders and exporters of Jaggery to the world. India exported 761,640.19 MT of Jaggery and Confectionery products to the world for the worth of Rs. 4,330.07 Crores/ 537.01 USD Millions during the year 2022-23.

**Major Export Destinations (2022-23):** Sudan, Indonesia, Tanzania, U Arab Emts and Kenya.

(source: [https://apeda.gov.in/apedawebsite/subhead\\_products/jaggery\\_and\\_confectionery.htm](https://apeda.gov.in/apedawebsite/subhead_products/jaggery_and_confectionery.htm))

## BUSINESS OVERVIEW

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors', 'Financial Statement' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page no. 20, 143 and 188 respectively, of this Prospectus.

Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to "we", "us", "our" and "our Company" are to "Italian Edibles Limited".

Our Company was originally incorporated as Italian Edibles Private Limited on December 16, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently the name of the company was changed from "Italian Edibles Private Limited" to "Italian Edibles Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 06, 2023 and had obtained fresh certificate of incorporation September 21, 2023 issued by the Registrar of Companies, Gwalior. The CIN of the Company is U15141MP2009PLC022797.

Confectionery in a broader sense implies the preservation of sweet delicacy preparation in the form of candies, caramels, chocolate, processed cocoa and milk and traditional Indian confections. Keeping in mind the company's mantra "Sharing is Everything" and "Delightful Creation and Boundless Joy", our company has been manufacturing delicious mouthwatering confectionery products for the last 14 years.

Our confectionery products are sold under the brand name of "". We offer a wide range of confectionery's such as Rabdi [Meethai Sweet], Milk Paste, Chocolate Paste, Lollipops, Candies, Jelly Candies, Multi-Grain Puff Rolls, Fruit Based Products to our customers. India being a country with different cultures, many festivals and occasions, celebration with confectioneries plays a major role in those special occasions, festivals etc.

Our confectionery products are sold PAN India, majorly in rural and semi-urban areas of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerela, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal and through local wholesalers and distributors located in these areas. Our consumer segments largely include teenagers, young adults and children's located in rural and semi-urban areas of India. Apart from selling our confectionery products within India, we also export to various countries such as Nigeria, Yemen, Sinegal and Sudan. As on August 31, 2023 our top customers include Chocolate World, Yuvraj Agency, Bakewell Biscuits Private Limited, R. K. Prabhavati Tarders, Mamta Stores, Ma Laxmi Traders, Suria Distributor etc. Also, one of our product, i.e., Jelly Candies are sold to Dharpal Premchand Ltd (BABA) group.

Over the years, we have developed a large pan-India distribution network. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

We have two operational manufacturing unit that is operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). Being strategically located in the industrial area, procurement and transportation of raw materials is easy, quick and cost effective. Our manufacturing unit are FSAAI, ISO 22000:2018 and FIEO certificated. Our in house manufacturing unit is well equipped with mixture of modern, fully-automated and semi-automated plant & machinery which enables us to manufacture our confectionery products in an effectively control manner and also ensure consistent quality while manufacturing the confectionery products. In addition, we manufacture range of products under the private labeling arrangement with our customers and is exclusively sold by third party. However, we do not have any collaboration with these companies. We sell our confectionery products in retail and wholesale packs. Lollipops, Candies, milk sweetmeat products are available in Pet Jars, polypacks and cardboard boxes.

Being in the confectionery market for 14 years has strengthen our confectionery product brands across India and Aboard and it has also enabled us to understand our target markets, consumer taste and preferences, product innovation capabilities, our ability to develop an effective business model with stringent quality control over processes, our

distribution network and our marketing and promotional activities which has further led to establish our brand name further across India and Aboard.

Mr. Akshay Makhija and Mr. Ajay Makhija, our Promoter Directors, have been instrumental in managing our rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. We have a well-qualified team with extensive experience in the consumer goods and food and beverages industry, which we believe enable us to capitalize on future growth opportunities. We believe that the experience of our Promoters and senior management has been critical to our success and business growth and has translated into the enhancement of our product quality, increased profitability and improved margins which give us a competitive edge.

### Brief on our Financials:

Brief on the Restated Financial Statements our Company is as under:

(Rs. In Lakhs)

Particulars	As on August 31, 2023	As At		
		31-Mar-2023	31-Mar-2022	31-Mar-2021
Revenue from operations <sup>(1)</sup>	3,051.70	6,321.20	7,541.15	4,890.36
Total Revenue	3,052.16	6,330.09	7,545.25	4,899.44
EBITDA <sup>(2)</sup>	399.31	690.76	437.22	359.59
EBITDA Margin (%) <sup>(3)</sup>	13.08	10.91	5.79	7.34
PAT	209.68	264.21	80.21	86.52
PAT Margin (%) <sup>(4)</sup>	6.87	4.18	1.06	1.77

Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales.

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

<sup>(3)</sup> EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT Margin is calculated as PAT for the period/year divided by revenue from operations

### The following table sets forth our product wise sales:

Our confectionery product range includes eight principal categories:

(Rs. in Lakhs)

Sr. No.	Products Category	As on Aug 31, 2023	% #	As At					
				31-Mar-2023	% #	31-Mar-2022	% #	31-Mar-2021	% #
1.	Rabdi [Meethai Sweet], Milk and Chocolate Paste products	1602.11	52.50	3697.23	58.49	3341.83	44.31	1979.74	40.48
2.	Lollipops	370.96	12.16	766.29	12.12	2130.56	28.25	233.38	4.77
3.	Hard Candies	194.43	6.37	607.84	9.62	450.86	5.98	1208.14	24.70
4.	Jelly Candies	503.37	16.49	674.14	10.66	671.65	8.91	523.89	10.71
5.	Multi-Grain Puff Rolls	54.94	1.80	102.63	1.62	181.67	2.41	323.88	6.62
6.	Fruit Based Products	117.18	3.84	446.94	7.07	632.57	8.39	312.79	6.40
7.	Other products (Fancy Items & Molded Chocolates)	208.71	6.84	26.13	0.41	132.01	1.75	308.54	6.31
	<b>Total</b>	<b>3051.70</b>	<b>100.00</b>	<b>6321.20</b>	<b>100.00</b>	<b>7541.15</b>	<b>100.00</b>	<b>4890.36</b>	<b>100.00</b>

# as a percentage of revenue from operation

**Revenue bifurcation customer wise:**

(Rs. in Lakhs)

Particulars	As on 31-08-2023	FY 2022-23	FY 2021-22	FY 2020-21
B2C	-	-	-	-
B2B	3051.7	6321.2	7541.15	4890.36
<b>Total</b>	<b>3051.70</b>	<b>6321.20</b>	<b>7541.15</b>	<b>4890.36</b>

**Break-up of distributors within India:**

Region <sup>(1)</sup>	As on 31-08-2023	FY 2022-23	FY 2021-22	FY 2020-21
North <sup>(2)</sup>	76	88	74	51
South <sup>(3)</sup>	20	29	26	20
East <sup>(4)</sup>	54	76	69	46
West <sup>(5)</sup>	302	216	203	163
<b>Total</b>	<b>452</b>	<b>409</b>	<b>372</b>	<b>280</b>

(1) Region refers to regions in India.

(2) North includes Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

(3) South includes Telangana, Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Andaman Nicobar Islands.

(4) East includes Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Nagaland, Odisha and West Bengal.

(5) West includes Goa, Gujarat, Madhya Pradesh and Maharashtra including the 5 merchant exporters through whom export our products.

**The following table sets forth our Location-wise Sales:**

(Rs. in Lakhs)

Particulars	As on Aug 31, 2023	% #	As At					
			31-Mar-2023	% #	31-Mar-2022	% #	31-Mar-2021	% #
Domestic Sales <sup>(1)</sup>	2,909.35	95.34%	5,983.64	94.66%	7,177.77	95.18%	4,656.77	95.22%
Export Sales <sup>(2)</sup>	142.35	4.66%	337.56	5.34%	363.39	4.82%	233.59	4.78%
<b>Total</b>	<b>3051.70</b>	<b>100.00</b>	<b>6321.20</b>	<b>100.00</b>	<b>7541.15</b>	<b>100.00</b>	<b>4890.36</b>	<b>100.00</b>

# as a percentage of revenue from operation

(1) includes sales through Suppliers & Distributors and private label manufacturing.

(2) Direct Export and through merchant exporters.

**Location wise (within India) revenue bifurcation:**

(Rs. in Lakhs)

Sr. No.	States	As on 31-08-2023	FY 2022-23	FY 2021-22	FY 2020-21
1	Andhra Pradesh	3.85	31.38	50.66	35.99
2	Assam	0.00	24.71	56.77	0.00
3	Bihar	285.47	663.81	1217.17	316.81
4	Chattisgarh	56.78	178.60	293.17	203.39
5	Delhi	18.26	50.99	93.21	23.22
6	Gujarat	222.35	688.98	698.23	413.28
7	Haryana	17.77	72.17	118.12	85.01
8	Himachal Pradesh	8.97	24.74	30.69	40.02
9	Jammu & Kashmir	0.00	4.37	8.77	18.80
10	Jharkhand	13.88	73.24	91.19	79.35
11	Karnataka	41.38	93.20	151.60	170.77
12	Kerela	0.00	0.00	0.00	0.78

Sr. No.	States	As on 31-08-2023	FY 2022-23	FY 2021-22	FY 2020-21
13	Madhya Pradesh	1143.81	1751.86	980.23	951.86
14	Maharashtra	263.55	343.58	455.17	345.40
15	Odisha	24.76	84.57	83.81	82.24
16	Punjab	3.61	6.45	3.48	19.74
17	Rajasthan	53.43	84.50	76.07	68.95
18	Tamil Nadu	5.60	22.68	31.46	31.78
19	Telangana	16.33	38.70	69.96	56.01
20	Uttar Pradesh	571.97	1250.04	2053.31	1258.77
21	Uttarakhand	0.00	6.40	3.02	8.72
22	West Bengal	157.60	488.66	611.69	445.88
23	Deemed Exports*	142.35	337.56	363.39	233.59
	<b>TOTAL</b>	<b>3051.70</b>	<b>6321.20</b>	<b>7541.15</b>	<b>4890.36</b>

\*Direct Export and through merchant exporters.

## OUR STRENGTHS

We believe the following competitive strengths contribute to our success and position us well for future growth:

### *Well Established Brand name and goodwill amongst market players*

We sell all of our products under our well-established  brand, focusing on a diverse range of quality products, authentic ethnic Indian taste, innovative packaging, and effective pricing strategies covering all key price points. We believe that these qualities have enabled us to develop strong brand recognition and consumer loyalty in our key markets in India and abroad. We operate in a brand sensitive market and consumers prefer reliable brands for self-consumption. We have earned goodwill & competitive edge through our consistent quality-oriented product development approach. We believe that our commitment to quality and purity has enabled us to position ourselves as a trusted brand in the market in which we operate.

### *Consistent focus on quality*

We maintain stringent quality control across the entire production chain, including sourcing, processing, manufacturing, packaging and distribution. The raw ingredients used in our products are of premium quality. We are focused on stringent quality standards throughout our manufacturing process in our own facilities. We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. Our manufacturing facility has obtained the for ISO 22000:2018 for Food Safety Management System. Our commitment to stringent quality control has been critical to our success and has contributed to customers associating our brand with trust and transparency

### *Well established relationships with our suppliers and wide channel of sales and distribution network*

We have established relationship with our suppliers for supply of raw materials, which we believe provides us with the competitive advantage of effective and timely sourcing of raw materials. We also believe effective sourcing of raw materials ensures timely manufacturing and delivery of our products to our customers, thereby enhancing the value provided to our customers.

Over the years, we have developed a large pan-India distribution network. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

### *Diversified Product Portfolio*

We believe that our understanding of the consumer's taste and preference complements our confectionery product which has allowed us to develop a comprehensive portfolio of a variety of confectionery products like: Rabdi Sweet, Extruded snack wafer, Milk Chocolate, Candy, fruit jellies and Fruit Pase etc. Our product portfolio comprises of

more than 56 confectionery items. Over the years our brand has witnessed its survival with continued innovation and introduction of new products, including launching of innovative flavors targeted at addressing consumer taste, market trends and providing superior quality products to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments.

### ***Experienced promoter and management team***

Our management team includes professionals with experience in the FMCG industry as well as finance and marketing functions. Our Promoters Mr. Akshay Makhija and Mr. Ajay Makhija brings his entrepreneurial vision and leadership which has been instrumental in growing and sustaining our business operations. We believe that our management team is growth oriented, and has ability to manage growth in rapidly changing business environment and delivery of high-Quality products at sustainable cost. For details regarding the education and experience of our promoters, please refer to chapter titled "Our Management" beginning on page no 88 of this Prospectus.

### **Our Business Strategy**

#### ***Setting up of new manufacturing unit***

We have two operational manufacturing units that are operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). For details on our manufacturing units, please refer to "Our Manufacturing and Storage facilities" on page no. 99 of the Prospectus. Our Company is proposing to shift both its existing manufacturing units including the warehouse and registered office to the proposed manufacturing unit to be located at Tillor Khurdh area in Indore district, Madhya Pradesh which shall be owned by our company. Before entering into a firm land purchase sale agreement with the Seller, our company is in the process of conducting the land survey which takes approximately 30 days. Post completion of survey and the various terms and conditions being finalized, our company shall obtain fresh approval from the Board of Directors for the purchase of proposed land and accordingly enter into the land purchase sale agreement with the seller. In case of any discrepancies observed such as dispute related to ownership, dispute regarding land title, pending tax receipts and bills of land records, diversion related, zoning restrictions or measurement issue etc. our company shall search for and identify an alternative land parcel in Tillor Khurdh area in Indore district, Madhya Pradesh for setting up the new manufacturing unit. Prospectus For details on our manufacturing units, please refer to "Object of the Issue" beginning on page no. 66.

#### ***Sustain our focus on semi urban and rural markets***

We believe that our focus on semi urban and rural markets for our products and our ability to understand consumer preference in these markets, allows us to benefit from this growing sector where, as a result of difficulties with distribution and logistics, penetration of branded confectionaries and food accompaniments has been relatively slow. With our range of affordable products targeting youth, under the 'Ofcour's brand, and our distribution network, we intend to consolidate and grow in these markets with an appropriate value proposition including price, quality, taste and packaging.

#### ***Well established relationships with our suppliers and wide channel of sales and distribution network***

We have established relationship with our suppliers for supply of raw materials, which we believe provides us with the competitive advantage of effective and timely sourcing of raw materials. We also believe effective sourcing of raw materials ensures timely manufacturing and delivery of our products to our customers, thereby enhancing the value provided to our customers.

Over the years, we have developed a large Pan-India distribution network. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years. The break-up of distributors within India as follows:

<b>Region <sup>(1)</sup></b>	<b>As on 31-08-2023</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
North <sup>(2)</sup>	76	88	74	51
South <sup>(3)</sup>	20	29	26	20
East <sup>(4)</sup>	54	76	69	46

<b>Region <sup>(1)</sup></b>	<b>As on 31-08-2023</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
West <sup>(5)</sup>	302	216	203	163
<b>Total</b>	<b>452</b>	<b>409</b>	<b>372</b>	<b>280</b>

(1) Region refers to regions in India.

(2) North includes Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

(3) South includes Telangana, Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Andaman Nicobar Islands.

(4) East includes Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Nagaland, Odisha and West Bengal.

(5) West includes Goa, Gujarat, Madhya Pradesh and Maharashtra including the 5 merchant exporters through whom export our products.

### ***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer and end user point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with them.

### ***Improving operational efficiencies***

Our Company focuses on improving operating efficiencies to achieve cost reductions to have a competitive edge. We continuously strive to increase operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency, higher productivity with minimum wastage. Economies of scale also plays an important role.

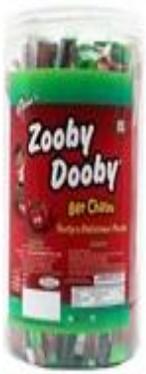
### **Our Product Portfolio**

Our confectionery product range includes seven principal categories:

<b>Sr. No.</b>	<b>Products Type</b>	<b>Number of Products</b>
1.	Rabdi [Meethai Sweet], Milk and Chocolate Paste products	15
2.	Lollipops	10
3.	Hard Candies	7
4.	Jelly Candies	6
5.	Multi-Grain Puff Rolls	3
6.	Fruit Based Products	11
7.	Other products	4
	<b>Total</b>	<b>56</b>

The following infographic sets forth our some our confectionery products:







### ***Rabdi [Meethai Sweet], Milk and Chocolate Paste products***

The Rabdi [Meethai Sweet] product is sold under the brand name of “Military Malai Mithai”. Our Military Malai has become a synonym for Milk mithai among our distribution network other brands like Sure Milk, Chocorich Rabdi, Milk Valley are also being offered under same category. This creamy and smooth confectionary is manufactured using SMP, sugar, vegetable palm oil and flavouring agent. It is frequently consumed as a spread on bread, crackers, or biscuits, but it can also be included in a variety of desserts to add richness and sweetness.

Our milk and chocolate paste confectionaries are sold under, Likwi Likwi brand. The most famous and highest sold choco paste confectionaries is Likwi Likwi. This creamy and smooth confectionary is manufactured using cocoa powder, sugar, palm oil, flavour and SMP It is commonly used as a topping for pancakes, waffles, and ice creams, as well as a filling for cakes, pastries, and biscuits because its boasts chocolate flavor. This confectionary is manufactured in-house in our manufacturing unit 1 located at 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India.

### ***Lollipops***

Our Lollipops are sold under Whistle Heart, SweetArt, Standy Pop, Rozick Pop, Bob Pop, and other brand names. The most famous and highest sold lollipop is SweetArt Lollipop. Lollipops are our delightful confectioneries, consisting of a hard candy mounted on a stick. We manufacture a wide range of flavoured Lollipops. Our varied shapes and colors Lollipops make them a favorite treat for people of all ages especially among children. Lollipops are manufactured in-house in our manufacturing unit 2 located at 367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore-452001 Madhya Pradesh using Sugar, LG, Acidulent & Flavour ingredients.

### ***Hard Candies***

Our hard candies/ hot sugar candies are sold under Khapra Paak, Cream Supreme, Café Lathe, Fire Paan, Soft Zone brand names. Candies are timeless sweets that never fail to bring joy on a person’s face. The most famous and highest sold hard candies are Khopra Paak & Cream Supream. We manufacture small, sweet, and flavored candies made from ingredients such as Sugar, LG, Acidulent & Flavour. We sell a wide variety of shapes, sizes, and flavoured candies to suit various preferences. Hard candies are manufactured in-house in our manufacturing unit 2 located at 367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore-452001 Madhya Pradesh.

### ***Sugar Boiled Jelly Candies***

Our jelly candies are sold under Tont, Fruna, Khaye Jao & Fruchee brand names. The most famous and highest sold jelly candies are Tont & Fruna. These jelly candies are transparent, soft, and chewy, created with fruit liquids, gelatin, and sugars. We offer it in a variety of fruity flavors and frequently shaped into attractive shapes such as bears, worms, or rings. Jelly candies are manufactured in-house in our manufacturing unit 2 located at 367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore-452001 Madhya Pradesh. One of our top customer for jelly candies is Dharpal Premchand (BABA) group.

### ***Multi-Grain Puff Rolls***

Our Multigrain puff rolls are sold under Zomby & Download brand names. These Multigrain puff rolls are light and crunchy, prepared from a combination of grains such as wheat, rice, and oats. They are perfectly roasted, resulting in a crispy texture. We manufacture it in a way that is healthy and full of nutrition. Multigrain puff rolls are manufactured in-house in our manufacturing unit 2 located at 367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore-452001 Madhya Pradesh.

### ***Fruit Based Products***

Our fruit-based confectionery products include tamarind (Imlie) based candies and jujube (Bare). These fruit-based confectioneries are sold under Military Imlie, Imlish, Gulaabo Imlie, Tamba & Zuzu Ber Chuntye, Zooby Dooby brand names. These confectioneries are manufactured in-house in our manufacturing unit 2 located at 367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore-452001 Madhya Pradesh using natural fruit Pulp, sugar, Liquid Glucose, Salt & Preservative ingredients. All our fruit-based confectionery products retain the original fruit taste and are 100% natural in nature and are made without use any chemicals.

### ***Other products***

Our other products include Fancy Items & Molded Chocolates confectionery products. These confectioneries are manufactured in-house in our manufacturing unit 1 & unit 2 using natural fruit Pulp, sugar, cocoa powder, Liquid Glucose, Salt & other Preservative ingredients.

## **Our Business Operations**

### ***Our Production Process***



### **1. Sugar-Cooking Processing**

The first step is the sugar-cooking process, which is of utmost importance. The primary constituents used to create are sugar, corn syrup, water, and flavourings. These components are blended in a large mixing kettle and heated to a temperature ranging from 310°F to 320°F based on the type of Product Manufactured. The sugar is liquefied, and the concoction is continuously stirred to prevent burning or forming crystals. Once the mixture reaches the desired temperature, it is poured onto a batch roller. This flattens it into thin sheets with consistent stirring.

### **2. Flavouring and Coloring**

After the sugar mixture has been rolled into delicate sheets, the next step in production is to infuse it with flavourings and colours. This is done by transferring the sheets to a specialised machine that carefully incorporates a selection of taste and appearance-enhancing ingredients. Flavourings and colours are meticulously chosen to achieve the desired

end product. To ensure consistency, the mixture is stirred thoroughly so that every ounce of flavouring and colour is evenly dispersed throughout it.

### 3. Molding & Shaping

Once the sugar mixture has been infused with delightful flavours and vibrant hues, it's time to shape it into the beloved confection. While numerous techniques exist for moulding and forming these treats, the most widely used method involves a specialised machine designed specifically for this purpose the 2 most widely used process for this are Depositing & Froming Process. This machine boasts an array of moulds filled with delicious and colourful sugar mixtures.

### 4. Chilling / Cooling Process

After being filled, the moulds are cooled to allow the mixture to solidify and conform to their unique shapes. The lollipops are expertly released from their moulds and carefully placed onto a cooling conveyor belt. After being created, the Product pass through a key process called chilling. They are then put on a conveyor belt to chill until room temperature is reached.

### 5. Sorting & Inspection

Quality control inspections are done at this point to ensure only premium Confectionery pass the assembly line. Defective ones are removed from the line before packaging.

### 6. Packaging

Packaging is another significant step in the manufacturing process. Typically, Confectionery are wrapped in clear plastic packaging so consumers can see their shape and colour before purchasing. These wrapped candies are then available in Pet Jars, polypacks and cardboard boxes for shipping to suppliers or distributors.

### 7. Final Product

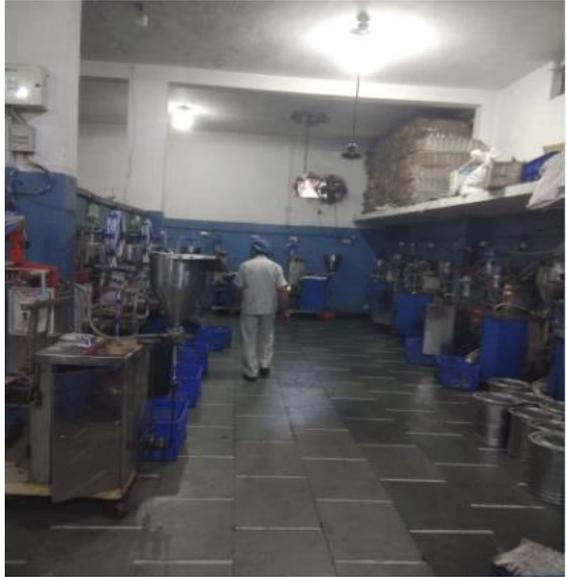
Now our Sweet is ready to move to the customer through the dispatch areas.

### Our Manufacturing and Storage facilities

As on date our company has two operational manufacturing unit that is operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). We manufacturing unit are FSAAI, ISO 22000:2018, FIEO certificated. Our in house manufacturing unit is well equipped with mixture of modern, fully-automated and semi-automated plant & machinery which enables us to manufacture our confectionery products in an effectively control manner and also ensure consistent quality while manufacturing the confectionery products. Further, all our raw materials and finished goods are stored in our own manufacturing units and warehouse. Details of our manufacturing units and warehouse are set forth below:

Manufacturing Facility	Location	Size (Sq. Ft.)	Owned/ Leased	List of products manufactured
Unit 1	309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India	13454 Sq. ft.	Leased	Rabdi [Meethai Sweet], Milk and Chocolate Paste products
Unit 2	367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore, Madhya Pradesh, 452001	30,684 Sq. ft.	Leased	Lollipops; Hard Candies; Jelly Candies; Multi-Grain Puff Rolls; Fruit Based Products;
Warehouse	Survey No.367/3, Behind Prabhu Tol Kanta, Gram Palda, Nemawar Road, Indore, Madhya Pradesh, 452020	4,000 Sq. ft.	Leased	Raw materials and finished goods

The graphic for our Manufacturing Unit 1:



The graphic for our Manufacturing Unit 2:





The graphic for our warehouse:



## Plant & Machinery

To maintain quality of our product, we have installed below mentioned machinery at our manufacturing units to deliver products with precision and productivity in the most extreme operating conditions. The below list of Plant & Machinery installed at manufacturing units are owned by our Company:

Sr. No.	Installed at	List Of Machineries	Quantity
1	Unit 2	Candy Depositor Line	3
2	Unit 2	Candy Pillow Pack Machine	6
3	Unit 2	Penumatic Pouch Packing Machine	3
4	Unit 2	Lollipop Depositor Line	3
5	Unit 2	Lollipop Pillow Pack Machine	6
6	Unit 2	Uniplast Lollipop Forming Line	2
7	Unit 2	Puffroll Extruder Line	2
8	Unit 2	Puffroll Oven	1
9	Unit 2	Puffroll Pillow Pack Packing Machine	2
10	Unit 2	Continue Cookers For Candy & Lollipop	4
11	Unit 2	Kettle Mixure Machine – Candy & Lollipop	6
12	Unit 2	Syrup Holding Tanks	7
13	Unit 2	R.O. Water Plant	2
15	Unit 2	Boiler	2
16	Unit 2	D.G. Set	1
17	Unit 1	Mailk & Chocolate Paste Mixure Line	10
18	Unit 1	Mailk & Chocolate Paste Holding Tanks	5
19	Unit 2	Fruit Pate Making Machine	6
20	Unit 2	Multi Track Fruit Paste Packing Machine	4
21	Unit 2	Microfilm Cooker	3
22	Unit 2	Fancy Items Packing Machine	3
23	Unit 2	Candy Twist Packing Machine	3
24	Unit 2	Bunch Wrape Lollipop Packing Machine	1
25	Unit 1	Ffs Packing Machine For Paste	130
26	Unit 2	Cone Wafer Macking Line	1
27	Unit 1	Sugar Mixure Plant	2
28	Unit 1	Oil Holding Tanks	2
29	Unit 2	Ept Plant	1
30	Unit 1	Batch Coding/Printing Machine	3

## Capacity And Capacity Utilization

The following tables set forth the installed capacity of our manufacturing units:

### For manufacturing unit 1:

Particulars	As at			
	As on Aug 31, 2023	31-Mar-2023	31-Mar-2022	31-Mar-2021
Installed Capacity (in MTPA)	3000	3000	3000	3000
Capacity Utilized (in MTPA)	1950	1800	1850	1650
Utilized Capacity (in %)	65%	60%	62%	55%

The above information for manufacturing unit 1 and 2 has been certified by Mr. Manish Pathak, Chartered Engineer bearing registration no. AM-163730-7 vide his certificate dated September 15, 2023.

## For manufacturing unit 2:

Particulars	As at			
	As on Aug 31, 2023	31-Mar-2023	31-Mar-2022	31-Mar-2021
Installed Capacity (in MTPA)	3250	3250	3250	2750
Capacity Utilized (in MTPA)	1800	1550	1950	1250
Utilized Capacity (in %)	55%	48%	60%	45%

The above information for manufacturing unit 1 and 2 has been certified by Mr. Manish Pathak, Chartered Engineer bearing registration no. AM-163730-7 vide his certificate dated September 15, 2023.

### Quality Assurance

We place emphasis on quality control. We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, technical parameters of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

### Product Development

Our in-house product development team continuously focuses on market research and analysis into evolving customer trends and preferences, for the purposes of introducing new products in the market to maintain our competitive position in the industry. Such product development work is manifested through changes in product composition, launching of new flavours and varieties of existing snacks, amongst others.

### Packaging

The primary packaging material used by us are multi-layer films like polypropylene or low or high density polyethylene or cast Poly propylene and PET for our packaging material. This enables the product to have the shelf life of 6 months to 12 months in case of our all confectionary products. These laminates are procured from established local suppliers on a monthly basis through purchase orders. We use automated packaging machines to pack our products in different pack sizes. For secondary and tertiary packaging, we use duplex boxes or cartons and corrugated carton boxes respectively to protect the primary or secondary packs in different stages of sales and distribution. We sell our confectionery products in retail and wholesale packs. Our confectionery products are packed in poly packs Jars, And Duplex Paper Box. We purchase our packaging material from third party located in Indore on an ongoing basis, through purchase orders at an “as needed” basis.

### Logistics

We typically engage third party transportation service providers for the transportation of our raw materials and products domestically. We undertake majority of our export activities from ports situated in Mundra (Gujarat) and Navasheva (Maharashtra) on the western coast.

### Corporate Social Responsibility

As on the date of this Prospectus, our Company is exempted from the provisions of section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility.

### Distribution Network and Channel

We sell our confectionery products through the dealer distribution model. Over past few years, our dealer distribution network has grown rapidly. Our sales team manages and maintains distributor relationships and works closely with them to understand market demand, the ever evolving consumer preferences and obtain feedback on our products to further align our sales, marketing and pricing strategies with market demand. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters,

### **Sales and Marketing**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our dealer distributors who have been associated with our Company for over 14 years. Due to distributors network and branding, our product is known to public. Our principal markets in India includes rural and semi-urban areas of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal. We sell our products mainly through dealer distributors. Our Company engages in several marketing and promotional activities to promote our brands and increase our sales volumes. Our marketing initiatives include advertising in the print and electronic media, promoting our brands through social media, hosting exhibitions and outdoor promotional activities. Our team through their good experience and good rapport with clients owing to timely and quality delivery of service has played an instrumental role in creating and expanding our business PAN India and abroad. To retain our customers, our team regularly interacts with retailers and focuses on gaining an insight on changing taste and preference of customers. We also have a dedicated sales and marketing team comprising of 15 employees.

### **Competition**

We face intense competition in the Indian confectionery market, from various domestic and multinational companies in India. Our competition depends on the confectionery products being offered by various companies in the organized segment besides several other factors such as quality, price and capacity to deliver. We face competition not only from the organized sector but also from the unorganized sector and from both small and big players. In the confectionery products business, we face competition from established regional and national players in the retail and bulk customer segments. We have a diverse portfolio of confectioneries that cater to the varying tastes and preferences of Indian and International consumers. Some of our key competitors include Mondelez India Food Pvt. Ltd, Nestle India Ltd., Amul Ltd., Ferraro India Pvt. Ltd., Hershey India, Lotus Chocolate Co. Ltd., Allwin Food Products, Prayagh Nutri Product Pvt. Ltd., Dolphin Foods India Ltd. etc. We may or may not have formal agreement with our dealers & distributors and thus they may procure from other players. Some of players may already have a robust procurement network and develop better relations with dealers & distributors, which could impact our revenue and profitability. In the future, we may also face competition from new entrants in the segment.

### **Environment, Health and Safety**

We are also subject to laws and government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. These environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environmental, health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. Periodic assessment of working conditions of our employees is carried out to ensure a safe working environment at our manufacturing facilities.

We consistently and continue to ensure compliance with applicable environment, health, safety regulations and other requirements in our operations. Our manufacturing units have received quality certifications, confirmed through annual audits by independent consultants. In light of our quality standards, we have managed to obtain certain independent certifications for our manufacturing unit 1 and unit 2, like the ISO 22000:2018 certification, for quality management system and food safety management system respectively.

### **Information Technology**

As majority of our manufacturing machinery are automated, we use compatible software systems to assist us in operating our manufacturing process efficiently. Our IT infrastructure enables us to track the movement of the products

from end-to-end. For our daily business operations activities are performed with Enterprise Resource Planning software's- "ERP Prime Gold" that is integrated with our production systems, and assists us in other operational areas like finance, sales, purchase, inventory maintenance and production.

## **Infrastructure and Utilities**

### ***Infrastructure***

Our Registered Office is well equipped with computer systems, internet connectivity, other communication equipment and security, etc. which are required for our business operations. For details on our manufacturing and storage facilities, please refer to heading "**Our Manufacturing and Storage facilities**" on page no. 56 of the Prospectus.

### ***Power***

We have arrangements for regular power supply at our office premises, manufacturing units and warehouses. We have particular power requirements due to the need to process raw ingredients to get final products and for packing of different products within a particular range of temperatures. We depend on Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Ltd. Indore- state electricity supply for our power requirements and utilise diesel generators to ensure that our facilities are operational during power failures or other emergencies. We have installed energy efficient equipment at our manufacturing units and warehouses.

Additionally, we have installed solar panels at our manufacturing units 2 which reduces the electricity cost.

### ***Water***

We source our water requirements from state and municipal corporations and local body water supply where our manufacturing units are located. majority of our water requirements are fulfilled by the esteemed Madya Pradesh Irrigation Board, enabling us to carry out our day-to-day operations seamlessly. While our water consumption for the range of products we manufacture remains minimal, it is primarily utilized for raw material processing, sanitation, air-conditioning, and firefighting purposes.

### ***Raw Materials***

Our raw material requirements include ingredients required for production of confectioneries, as well as packaging and labelling materials. Our primary required raw ingredients for the manufacturing of our confectionery products are various sugar, milk powder, refined palmolein oil, liquid glucose, cocoa powder, and others. We presently procure all these raw materials from the local market based on our requirements on an ongoing basis. We have long-standing relationships with certain of our suppliers, although we do not have any long-term contracts with such third parties. Our procurements are based on our requirements on an on-going basis, through purchase orders at an "as needed" basis.

## **Collaborations/ Tie – Ups/ Joint Ventures**

As on date of the Prospectus, our Company does not have any Collaborations/Tie-ups/Joint Ventures.

## **Export Possibilities & Export Obligation**

As on the date of filing the Prospectus, we do not have any outstanding export obligations.

## **Insurance Policy**

Our Company has taken insurance policy related to our registered office, manufacturing units, warehouses and the properties that we operate our operations of our Company. Following are the details of the same:

<b>Insurer</b>	<b>Description of Insurance</b>	<b>Policy No.</b>	<b>Expiry Date</b>	<b>Insured Amount (Rs.)</b>
Tata AIG General Insurance Company Ltd	A. Fire Building and/or Contents B. Burglary C. Money Insurance	5180104625	05/11/2023	52,40,00,000

## Manpower

The table below shows the break-up of our employees as on August 31, 2023:

Sr. No	Department	Number
1.	Directors, KMPs and Senior Personnel	10
2.	Accounts Department	4
3.	Quality Control Officer	5
4.	Administrative Staff	3
5.	Sales and Marketing Personnel	15
6.	Production and Packing Staff	190
	<b>Total</b>	<b>227</b>

## Immovable Property

Our Company owns following immovable properties:

As on the date of this Prospectus, our company does not own any immovable property.

Our Company has taken the following immovable properties on leave & license basis:

Sr. No	Address / Description of Premises	Name of Lessor	Lease Date and Terms of Lease	Usage Purpose
1.	309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India	Mr. Ajay Makhija & Mrs. Meenakshi Makhija	April 01, 2023; 5- Years w.e.f. April 01, 2023	Registered Office cum Manufacturing Unit 1
2.	367/7, 369/3, Halka No. 26, New 64, Nemawar Road, Near Prabhu Toll Kanta, Indore, Madhya Pradesh, 452001	Mr. Manish Mittal & Ms. Sandhya Agrwal	February 27, 2020; 55 Months w.e.f. February 01, 2020	Manufacturing Unit 2
3.	Survey No.367/3, Behind Prabhu Tol Kanta, Gram Palda, Nemawar Road, Indore, Madhya Pradesh, 452020	Mr. Kamlesh Agrawal and Mrs. Indira Agrawal;	June 07, 2023; 11-Month w.e.f. June 05, 2023	Warehouse

## Intellectual Property

As on the date of this Prospectus, our Company registered its logo or company's name with the Registrar of Trademarks. For details of our intellectual property, please refer to the chapter titled "Government and Other Statutory Approvals" beginning on page 207 of this Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant sector-specific laws, regulations and policies as prescribed by the Government of India, and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.*

*The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and maintain applicable licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of government approvals and other approvals obtained by us, see the chapter titled “**Government and Other Approvals**” beginning on page no. 205 of this Prospectus.*

### **INDUSTRY-SPECIFIC LAWS**

#### **The Food Safety and Standards Act, 2006 (the “FSAAI”)**

The FSAAI was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSAAI pursues to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSAAI”) for laying down scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption, and for matters connected therewith or incidental thereto. The standards prescribed by the FSAAI include specifications for food additives, flavourings, processing aids and materials in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. Under the provisions of the FSAAI, no person may carry on any food business except under a license granted by the FSAAI. The FSAAI sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

In exercise of powers under the FSAAI, the FSAAI has also framed the Food Safety and Standards Rules, 2011 (“FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSAAI also lays down penalties for various offences, including recall procedures. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various food business operators (“FBOs”), including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacture, importation or wholesale supply of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of pre-packaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority

## **The Agricultural and Processed Foods Products Export Development Authority Act, 1985 (the “APEDA Act”)**

The APEDA Act provides for establishment of Agricultural and Processed Food Products Export Development Authority for the development and promotion of export of certain agriculture and processed food products. Persons exporting scheduled products are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications and to improve their packaging. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions. Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by exporters of agricultural produce

## **The Consumer Protection Act, 2019 as amended (“CPA”)**

The Consumer Protection Act, 2019 came into effect from 20th July, 2020 will empower consumers and help them in protecting their rights through its various notified rules and provisions like Consumer Protection Councils, Consumer Disputes Redressal Commissions, Mediation, Product Liability and punishment for manufacture or sale of products containing adulterant / spurious goods. It will be empowered to conduct investigations into violations of consumer rights and institute complaints / prosecution, order recall of unsafe goods and services, order discontinuance of unfair trade practices and misleading advertisements, impose penalties on manufacturers/endorsers/publishers of misleading advertisements. It introduces the concept of product liability and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation. The new Act provides for simplifying the consumer dispute adjudication process in the consumer commissions, which include, among others, empowerment of the State and District Commissions to review their own orders, enabling a consumer to file complaints electronically and file complaints in consumer Commissions that have jurisdiction over the place of his residence, videoconferencing for hearing and deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.

## **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“Act”), received the assent of the President of India on January 13, 2010. The Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measures or numbers. It also states that any transaction/contract relating to goods/class of goods shall be as per the weights/measurements/numbers prescribed under the Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the said Act is an offence, as is considered as tampering or altering any reference standard, secondary standard or working standard. Moreover, the Act prohibits any person from quoting any price, issuing any price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of this Act. The administration of the Act and regulation of pre-packaging of commodities is done with the help of Legal Metrology (Packaged Commodities) Rules, 2011, (the “Rules”) which require every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery to get himself registered under these Rules. Additionally, the Rules also bar anyone from pre-packing or causing or permitting pre-packaging any commodity for sale, distribution or delivery unless a declaration in respect to such pre-packaging has been made on the package in accordance with these Rules.

## **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

### **Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 (the “Sale of Goods Act”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

### **Bureau of Indian Standards Act, 1986 (the “BIS Act”)**

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the Bureau of Indian Standards which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose. The purpose of Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. Evidence of registration is available through an inspection of relevant land records, which usually contains details of the registered property.

### **The Indian Stamp Act, 1899 (“Stamp Act”)**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State 124 Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

### **The Information Technology Act, 2000 (“IT Act”)**

The Information Technology Act, 2000 regulates and governs the communications made and services provided in the electronic form. It provides legal recognition to transactions carried out by means of electronic data interchange and other means of electronic communication. The IT Act prescribes punishment for publication of, obscene and offensive materials through electronic means. The Information Technology (Amendment) Act, 2008, which amended the IT Act, gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third-

party information liability. Further, under Section 69A of the IT Act and the Information Technology (Procedure & Safeguards for Blocking for Access of Information by Public) Rules, 2009, directions can be issued by the Government or intermediary, blocking public access to any information generated, transmitted, retrieved, stored or hosted in any computer resource.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (the “MSME Act”)**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”) In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

### **Foreign Exchange Management Act, 1999 (“FEMA”)**

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

The Foreign Trade (Development & Regulation) Act, 1992 The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

### **Foreign Direct Investment Policy, 2020**

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. The 134 Government of India has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable and easily comprehensible. This framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes, effected in the interregnum. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes/press releases which are notified by the RBI as amendments to the FEMA Regulations. These notifications take effect from the date of issue of press notes/ press releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the RBI vide A.P. (DIR Series) Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc. In addition to the above, our Company is also required to comply with the

provisions of the SEBI regulations and rules framed thereunder, and other applicable statutes enacted by the Government of India or relevant state governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws

### **Importer exporter code**

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("DGFT") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed

### **TAX RELATED LAWS**

#### **Income Tax Act, 1961**

The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year

#### **The Central Goods and Services Tax Act, 2017 (the "GST Act")**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017(UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under. It replaces following indirect taxes and duties at the central and state levels.

#### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of

whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company desirous of importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). The rates of basic customs duty are specified under the Customs Tariff Act, 1975.

### **LABOUR LAWS**

#### **The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 ("ID Act") was enacted to make provision for investigation and settlements of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions in the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock outs, closures, lay-offs and retrenchment.

#### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes. The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- a) The Employees' Provident Fund Schemes, 1952;
- b) The Employees' Pension Scheme, 1995; and
- c) The Employees' Deposit-Linked Insurance Scheme; 1976

#### **The Code on Social Security, 2020**

The Government of India has decided to consolidate around 29 central labour laws into 4 codes which are: (a) Code on Wages, 2019, (b) the Code on Social Security, 2020, (c) the Occupational Safety, Health and Working Conditions Code, 2020 and (d) the Industrial Relations Code, 2020. The Code on Social Security, 2020 has been passed by both the houses of parliament and has received the assent of the President on September 28, 2020. However, the Code will be in force from such date the Central Government by notification may appoint. The said Code will subsume various social security, retirement and employee benefit laws like ESI Act, EPF Act,

Maternity Benefit Act, Payment of Gratuity Act, etc. Certain other Labour laws and regulations that may be applicable to our Company including the following:

### **The Employees' Compensation Act, 1923**

The Employees' Compensation Act, 1923 ("EC Act") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty

### **The Employees State Insurance Act, 1948**

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 58 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### **Maternity Benefit Act, 1961**

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that the get paid leave for a specified period before and after child birth. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an Internal Complaints Committee and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal

Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **The Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 ("PB Act") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MW Act") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including outworkers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years: a) On his/her superannuation;

a) On his/her superannuation;

b) On his/her retirement or resignation;

c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the

relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc

### **Workmen's Compensation Act, 1923**

The Act provides safety to the workman if any personal injury is caused to a workman by accident arising out of and in the course of his employment his employer shall be liable to pay compensation in accordance with the provisions of this Act. Provided that the employer shall not be so liable –

1. In respect of any injury which does not result in the total or partial disablement of the workman for a period exceeding three days;
2. In respect of any injury not resulting in death or permanent total disablement caused by an accident

### **INTELLECTUAL PROPERTY LAWS**

Certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000 are also applicable to us.

#### **The Copyright Act, 1957**

The Copyright Act, 1957 (the “Copyright Act”) governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

#### **The Trade Marks Act, 1999**

The Trademarks Act, 1999 (the “Trademarks Act”) provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

#### **The Patents Act, 1970**

Under statute, India provides for the patent protection under the Patents Act, 1970 (the “Patents Act”). The Patents Act governs the patent regime in India and recognizes process patents as well as product patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Patents Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

#### **The Designs Act, 2000**

The Designs Act, 2000 (the “Designs Act”) protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered

#### **OTHER LAWS:**

#### **ENVIRONMENT LAWS:**

National Environmental Policy, 2006  
Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)  
The Water (Prevention and Control of Pollution) Act, 1974  
The Air (Prevention and Control of Pollution) Act, 1981  
The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008  
The Public Liability Insurance Act, 1991  
The Insecticides Act, 1968

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Companies Act, 2013, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000 and The Arbitration and Conciliation Act, 1996 are also applicable.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our company was originally incorporated as a Private Limited Company under the name “Italian Edibles Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 16, 2009 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to “Italian Edibles Limited” vide special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 06, 2023 and a Fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Delhi & Haryana dated September 21, 2023. The Corporate Identification Number of our Company is U15141MP2009PLC022797

The Promoters of our company are Mr. Ajay Makhija and Mr. Akshay Makhija

### Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Initial allotment to Mr. Ajay Makhija (15000 Equity Shares) and Mr. Akshay Makhija (15000 Equity Shares), being the subscribers to the MOA of our Company.

### Changes in our Registered Office

As on the date of filing this Prospectus: 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India

Following are the details of the change in the address of the registered office of our Company since incorporation:

Date	From Address	To Address	Reasons for Change
04-01-2011	34, Veer Savarkar Nagar, Kanchan Tower, Indore, Madhya Pradesh – 452001, India	41, Patel Nagar, 401 Shivoval City, Indore, Madhya Pradesh – 452001, India	For administrative purpose
01-04-2016	41, Patel Nagar, 401 Shivoval City, Indore, Madhya Pradesh – 452001, India	Flat No.604, Siddhi Vinayak Grand 15/1, Vidhya Nagar, Behind Sapna Sangeeta Inox, Indore, Madhya Pradesh – 452001 India	For administrative purpose
09-03-2017	Flat No.604, Siddhi Vinayak Grand 15/1, Vidhya Nagar, Behind Sapna Sangeeta Inox, Indore, Madhya Pradesh – 452001 India	309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore, Madhya Pradesh – 452020 India	For administrative purpose

For further details of our properties, please refer to the chapter titled ‘Business Overview’ beginning on page no. 91 of this Prospectus.

### Major Events and Milestones

Some of the other key events in the history of our Company are set forth below:

Year	Details
2009	Incorporation of our Company as ‘Italian Edibles Private Limited’
2018	Madhya Pradesh Manufacturing Leadership Award
2023	Conversion of our Company from private limited to public limited
2023	Certificate of Recognition given by Dainik Bhaskar -Food Award 2023

## Main Objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To carry on all the business and commercial activities pertaining to the edible, edible oil, confectionery, chocolates, food products, dairy products, dairy-whiteners, ice-cream/ frozen desserts, canned food, cereal, chewing gum, health food, ready to eat foods, snack foods, biscuits, bakery products, fast food products, sweet products and also deliver new innovative edible products of better and healthy quality and to act as manufacturers of related machineries, to act as technical advisors, consultant for such projects.
2. To carry on all business and commercial activities pertaining to food processing, mithai, namkeen, food preservation, fast food dealer, health food providers, added nutrient food preparations, low calories and controlled calories edibles, beverages, evoking health awareness among people by healthy edibles, makers of health conscious natural & artificial edibles products, to serve all stratum of society for better eating habits, to act as social & societal health up-lifters and to act as researchers, advisors, consultants therefor.

## Amendments to the MoA of our Company since Incorporation

Since incorporation, the following amendments have been made to the MoA of our Company:

Sr. No.	Changes In M.O.A-	Date & Type of Meeting
A	<b>Change in Capital Clause</b>	
1)	Increase in authorized capital from Rs. 3.00 Lakh to Rs. 10.00 Lakh	February 14, 2011; EGM
2)	Increase in authorized capital from Rs. 10.00 Lakh to Rs. 25.00 Lakh	February 02, 2012; EGM
3)	Increase in authorized capital from Rs.25.00 Lakh to Rs. 60.00 Lakh	September 30, 2014; EGM
4)	Increase in authorized capital from Rs.60.00 Lakh to Rs. 1.00 Crore	September 23, 2015; EGM
5)	Increase in authorized capital from Rs. 1.00 Crore to Rs. 1.50 Crore	September 30, 2016; EGM
6)	Increase in authorized capital from Rs. 1.50 Crore to Rs. 2.50 Crore	December 29, 2017; EGM
7)	Increase in authorized capital from Rs. 2.50 Crore to Rs. 16.50 Crore	June 26, 2023; EGM
B	<b>Change in Name Clause</b>	
1)	Change in the name of the company from “Italian Edibles Private Limited” to “Italian Edibles Limited”	September 21, 2023; EGM
2)	Adoption of new set of MOA & AOA	September 06, 2023; EGM

## Launch of Key Products or services

Except as disclosed in the chapter titled ‘*Business Overview*’ beginning on page no. 91 of this Prospectus, our Company has not changed its products and services.

## Subsidiaries and Holding Company

As on the date of this Prospectus our Company does not have subsidiary Company or Holding Company.

## Associate Company

As on the date of this Prospectus, our Company has no associate company.

## Joint Ventures

As on the date of this Prospectus, there are no existing joint ventures entered into by our Company.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation except the Following**

There has no material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

**Strategic Partners:**

Our Company does not have any strategic partner(s) as on the date of this Prospectus.

**Financial Partners:**

Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners as on the date of this Prospectus.

**Shareholders' agreement:**

Our Company does not have any subsisting shareholders' agreement as on the date of this Prospectus.

**Material Agreements:**

Our Company has not entered into any specific or material or special agreements and/or arrangements except that have been entered into in ordinary course of business as on the date of filing of the Prospectus.

**Fraudulent Borrower**

Our Company or any of our promoter or directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**Injunctions or Restraining Orders**

There are no injunctions/ restraining orders that have been passed against the Company.

**Fund raising through equity or debt**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page no. 143 and 54, respectively, of this Prospectus.

**Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

**Defaults or rescheduling of borrowings with financial institutions/banks**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks as on the date of this Prospectus.

**Strikes and lock-outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Prospectus, our employees are not unionized.

**Time and cost overruns**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

**Changes in the activities of Our Company having a material effect**

There has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors in the last five years.

#### **Other declarations and disclosures**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

#### **Number of Shareholder in the Company**

As on the date of this Prospectus, the total number of holders of our Equity Shares is 7(Seven). For further details of our shareholding pattern, please see '*Capital Structure*' on page no. 54 of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

As per the Articles of Association of our Company, we are required to have not less than 3 (three) Directors and not more than 15(fifteen) Directors on its Board, subject to the applicable provisions of the Companies Act. As on date of this Prospectus, we have 5 (Five) Directors on our Board.

Sets forth below are the details regarding our Board as on the date of this Prospectus:

Name, Age, Designation, Address, DIN, Occupation, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of Prospectus
<b>Mr. Ajay Makhija</b> <b>Age:</b> 58 years <b>Date of Birth:</b> October 22, 1964 <b>Designation:</b> Managing Director <b>Address:</b> 15/1, Vidhya Nagar, 604 Sidhi Vinayak Grand, Behind Sapna Sangeeta, Indore-452001, Madhya Pradesh, India <b>DIN:</b> 02847288 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> December 16, 2009 <b>Change in Designation:</b> August 14, 2023 <b>Period of Directorship:</b> Appointed for a term of Three (3) years w.e.f. August 14, 2023	Nil
<b>Mr. Akshay Makhija</b> <b>Age:</b> 34 years <b>Date of Birth:</b> May 02, 1989 <b>Designation:</b> Executive Director and Chief Executive Officer <b>Address:</b> 15/1, Vidhya Nagar, 604 Sidhi Vinayak Grand, Behind Sapna Sangeeta, Indore-452001, Madhya Pradesh, India <b>DIN:</b> 02787252 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> December 16, 2009 <b>Change in Designation:</b> August 14, 2023 <b>Period of Directorship:</b> Appointed for a term of Three (3) years w.e.f. August 14, 2023, Liable to retire by rotation	Nil
<b>Mrs. Sneha Chinmay Khandelwal</b> <b>Age:</b> 34 years <b>Date of Birth:</b> May 14, 1989 <b>Designation:</b> Non-Executive Director <b>Address:</b> 93-A, Sudama Nagar, Narendra Tiwari Marg, Nr Sudama Nagar, Madhya Pradesh 452009 <b>DIN:</b> 10448569 <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> January 01, 2024 <b>Period of Directorship:</b> Liable to retire by rotation	Nil
<b>Ms. Devyani Chhajed</b> <b>Age:</b> 32 years <b>Date of Birth:</b> March 17, 1991 <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> 1083, Gyan Nagar, Sector-04, Manva Khera, Udaipur H Magri, Udaipur, Girwa-31 3002, Rajasthan, India <b>DIN:</b> 10276186	Nil

Name, Age, Designation, Address, DIN, Occupation, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of Prospectus
<b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Date of Appointment:</b> August 14, 2023 <b>Period of Directorship:</b> Appointed for a term of Three (3) years w.e.f. August 14, 2023	
<b>Ms. Anjali Jain</b> <b>Age:</b> 32 years <b>Date of Birth:</b> March 23, 1991 <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> 323, Tilaknagar main road, Indore- 452018, Madhya Pradesh, India <b>DIN:</b> 07757314 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Date of Appointment:</b> August 14, 2023 <b>Period of Directorship:</b> Appointed for a term of Three (3) years w.e.f. August 14, 2023	<ul style="list-style-type: none"> <li>• Basan Equity Broking Limited</li> </ul>

Note: For further details on their qualification, experience etc., please see their respective biographies under the heading “**Brief Profile of the Directors of our Company**” as mentioned on page no. 119 of this Prospectus.

***Confirmations as on the date of this Prospectus:***

1. *None of the above-mentioned Directors are on the RBI List of willful defaulters as on date of this Draft prospectus.*
2. *None of the above-mentioned Directors have been and/or are being declared as fugitive economic offenders as on date of this Prospectus.*
3. *None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or Our Company are debarred by SEBI from accessing the capital market.*
4. *None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*
5. *Further, none of our directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) during the (5) five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.*
6. *There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or member of the senior management.*
7. *The Directors of our Company have not entered into any service contracts with our Company which provide for benefits upon termination of employment.*
8. *No proceedings/ investigations have been initiated by SEBI against any Company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms of Companies in which they are interested by any person either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.*

**Relationship between Directors**

Except as mentioned below, none of the other Directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013:

Mr. Ajay Makhija and Mr. Akshay Makhija being father and son to each other.

**Brief Profile of the Directors of our Company**

**Mr. Ajay Makhija- Managing Director**

**Mr. Ajay Makhija**, aged 58 years, is Promoter and Managing Director of the Company. He has completed Higher Secondary education. Before entering the Confectionery industry, he was successfully running a plastic shoe manufacturing unit for more than 20 years in Indore. After that, he started his own confectionery business in 2009 under the name of Italian Edibles Private Limited. Since 2009 till date i.e. 14 years he has been associated with our company and has been looking after all the business affairs, business strategy & policy of the Company.

**Mr. Akshay Makhija- Executive Director & Chief Executive Officer**

**Mr. Akshay Makhija**, 34 years, is Promoter Executive, Director and Chief Executive Officer of our Company. He holds Bachelor’s degree in Business Administration from Devi Ahilya Vishwavidyalaya, Indore and Master’s degree in the field of Management from Punjab Technical University, Jalandhar. He has more than 14 years of experience in Confectionery industry. He looks after the overall management of the company operations. He specifically looks after the exports of products and implementation of diverse company operations in India and Overseas.

**Mrs. Sneha Chinmay Khandelwal- Non-Executive Director**

**Mrs. Sneha Chinmay Khandelwal**, aged 34 years, is Non – Executive Director of our Company. She is a Graduate in Commerce from Indore University. She has over 3 years of experience in the field of finance, accounting, auditing. Currently, she is working for a Chartered Accountant firm. She was appointed on the Board on January 01, 2024 as the Independent Director of our Company.

**Ms. Devyani Chhajed- Non-Executive Independent Director**

**Ms. Devyani Chhajed**, aged 32 years, is Non-Executive Independent Director of our Company. She is Practicing Chartered Accountant. She is an Associate member and holds a certificate of practice from the Institute of Chartered Accountants of India. She was appointed on the Board on August 14, 2023 as the Independent Director of the Company. She has over 5 years of experience in the field of Accounting and Finance.

**Ms. Anjali Jain - Non-Executive Independent Director**

**Ms. Anjali Jain**, aged 32 years, is Non – Executive Independent Director of our Company. She is an Associate member of the Institute of Company Secretaries of India with effect from October 20, 2015. Currently she is Company Secretary & Compliance Officer of Gagan Gases Limited. She was appointed on the Board on August 14, 2023 as the Independent Director of the Company. She has over 5 years of experience in the field of secretarial compliance.

**Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a special resolution passed on September 25, 2023 our shareholders in their Extra Ordinary General Meeting authorized our Board to borrow from time to time such sums of money as may be required under Section 180(1)(c) of the Companies Act, 2013, provided that such amount shall not exceed Rs. 100 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no 262 of this Prospectus.

**Terms and conditions of employment of our Executive Directors**

**Mr. Ajay Makhija – Managing Director**

**Mr. Ajay Makhija**, was designated as the Managing Director of the Company w.e.f. 14-08-2023 vide Board of Directors resolution dated 03-08-2023 on following terms and conditions:

<b>Remuneration</b>	Rs. 5,00,000 per month
<b>Other terms and conditions</b>	Managing Director of the Company is also entitled to Car, Telephone and Mobile expenses, Gratuity, Provident Fund and Leave travel concessions facilities subject to the statutory ceiling.

	Our Company will pay remuneration to our Managing Directors in accordance with Sections 197 of Schedule V of the Companies Act or such other limits as may be prescribed under the provisions of the Companies Act.
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### Mr. Akshay Makhija – Executive Director & CEO

Mr. Akshay Makhija, was as designated Executive Director & Chief Executive Officer w.e.f. 14-08-2023 *vide* Board of Directors resolution dated 03-08-2023 on following terms and conditions:

<b>Remuneration</b>	Rs.5,00,000 per month
<b>Other terms and conditions</b>	Executive Director of the Company is entitled to Car, Telephone and Mobile expenses, Gratuity, Provident Fund and Leave travel concessions facilities subject to the statutory ceiling.  Our Company will pay remuneration to our Executive Directors in accordance with Sections 197 of Schedule V of the Companies Act or such other limits as may be prescribed under the provisions of the Companies Act.

### Remunerations and/ or Sitting Fees paid to our Non-Executive and Independent Directors

Our Non-Executive Independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board and as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations. No remunerations and/ or sitting fees is paid/ payable to any of our Non-Executive and Independent Director.

### Shareholding of Directors in our Company

Our Articles of Association do not require our directors to hold qualification shares. As on date of filing of this Prospectus, except the following, none of our other Directors hold any Equity Shares of our Company:

Sr. No.	Name of Director	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Ajay Makhija	Managing Director	52,92,862	48.75
2.	Mr. Akshay Makhija	Executive Director & CEO	55,63,339	51.24

### Interest of Directors

All of our Directors, Non-Executive Independent Director may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to him for his services as Executive Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors, Non-Executive Independent Director may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our Non-Promoter Directors, out of the Issue and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors, Non-Executive Independent Director may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors, Non-Executive Independent Director may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures

promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Issue.

All our Directors, Non-Executive Independent Director may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### **Interest in promotion of Our Company**

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Financial Statement- Annexure 35- Related Party Transactions*” beginning on page nos. 123 and 174 of this Prospectus respectively and to the extent to remuneration received/ to be received by our directors, none of our directors have any interest in the promotion of our Company.

### **Interest in the property of Our Company**

Save and except as stated otherwise in “*Our Properties*” within the chapter titled “*Our Business*” on page no. 102 and in ‘*Annexure 35: Statement of Related Parties’ Transactions*’ in the chapter titled ‘*Restated Financial Statement*’ beginning on page no. 143 of this Prospectus:

- Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of this Prospectus;
- Our Directors do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company as on the date of this Prospectus;
- Our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them as on the date of this Prospectus.

### **Interest in the business of Our Company**

Save and except as stated otherwise in ‘*Annexure 35: Statement of Related Parties’ Transactions*’ in the chapter titled ‘*Restated Financial Statement*’ beginning on page no. 143 of this Prospectus:

- Our Directors do not have any other interests in our Company and/or our business as on the date of Prospectus except to the extent of their shareholding in our Company and/ or their relative shareholding in our Company and/ or any dividends paid/ payable to them and/ or their relatives and/or any other distributions in respect of the Equity Shares of our Company;
- Our Directors are not interested in the appointment of Underwriters, Market Markers, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI as required to be appointed for the process of listing;
- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management;
- Our company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

### **Interest as a creditor of Our Company**

Except as stated in the ‘*Annexure 35: Statement of Related Parties’ Transactions*’ on 174 and chapter titled “*Statement of Financial Indebtedness*” on page no.198 in the chapter titled ‘*Restated Financial Statement*’ beginning on page no. 143 of this Prospectus:

- Our Company has not availed any loans from our Directors of our Company as on the date of this Prospectus;
- None of our sundry debtors or beneficiaries of loans and advances are related to our directors.

### **Interest as Director of our Company**

Except as stated in the chapter titled *‘Our Management, ‘Capital Structure’ and ‘Annexure 35: Statement of Related Parties’ Transactions’* beginning on page no. 123, 54 and 174 of this Prospectus, our Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and in terms of our AOA.

### **Interest of Key Managerial Personnel**

Except as stated in this Chapter, none of the key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration except as stated in the chapter titled *‘Our Management, ‘Capital Structure’ and ‘Annexure 35: Statement of Related Parties’ Transactions’* beginning on page no.123, 54 and 174 of this Prospectus.

### **Details of Service Contracts**

Except as stated in the *‘Annexure 35: Statement of Related Parties’ Transactions’* on page no. 174 and in the Chapter titled *“Statement of Financial Indebtedness”* of our Company on page no. 198 of this Prospectus, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment.

### **Bonus or Profit-Sharing Plan for the Directors**

Except as stated in the *‘Annexure 35: Statement of Related Parties’ Transactions’* on page no. 174, there is no there is no bonus or profit-sharing plan for the Directors of our Company

### **Contingent and Deferred Compensation payable to Directors**

No Director has received or is entitled to any contingent or deferred compensation as on the date of filing this Prospectus. Further, there is no contingent or deferred compensation accrued for the year, which is payable to our Directors as on the date of filing this Prospectus.

### **Changes in the Board for the last three years**

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of Prospectus:

<b>Name of Director</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason</b>
Mr. Ajay Makhija	August 14, 2023	Change in designation to Managing Director
Mr. Akshay Makhija	August 14, 2023	Appointed as Executive Director and Chief Executive Officer
Mr. Shankar Arya	August 14, 2023	Appointed as Non-Executive Director
Ms. Devyani Chhajed	August 14, 2023	Appointed as Non-Executive Independent Director
Ms. Anjali Jain	August 14, 2023	Appointed as Non-Executive Independent Director
Mr. Shankar Arya	December 18, 2023	Resigned due to personal reasons
Mrs. Sneha Chinmay Khandelwal	January 01, 2024	Appointed as Non – Executive Director

## Corporate Governance

Applicable provision of the Companies Act, 2013 with respect to corporate governance and the provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time, will be applicable to our Company upon the listing of the Equity Shares with the Stock Exchanges in India.

Our Company is in compliance with the corporate governance code in accordance with Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SEBI Regulations, as amended from time to time, particularly those relating to composition of Board of Directors and constitution of committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

### Composition of Board of Directors

Currently, the Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Our Board has 5 Directors, comprising of 2 Executive Directors and 1 Non-Executive Director and 2 Non-Executive Independent Directors.

Our Company has constituted the following Committees in compliance with the corporate governance norms:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Stakeholders Relationship Committee.

### Audit Committee

The Audit Committee was constituted *vide* Board resolution dated September 21, 2023 pursuant to section 177 of the Companies, Act, 2013. As on the date of this Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Devyani Chhajed	Chairman	Non-Executive Independent Director
Ms. Anjali Jain	Member	Non-Executive Independent Director
Mr. Akshay Makhija	Member	Executive Director & CEO

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013.

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements

- Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- 5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
  - 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document//notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - 8) Approval or any subsequent modification of transactions of the company with related parties;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the company, wherever it is necessary;
  - 11) Evaluation of internal financial controls and risk management systems;
  - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - 14) Discussion with internal auditors any significant findings and follow up there on.
  - 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - 18) To review the functioning of the Whistle Blower mechanism.
  - 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

***The Audit Committee enjoys following powers:***

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Quorum and Meetings***

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. The Company Secretary of the Company acts as the Secretary to the Committee.

**Stakeholder`s Relationship Committee**

The Shareholders and Investors Grievance Committee has been re-formed by the Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 at the meeting held on January 01, 2024.

As on the date of this Prospectus the Shareholders and Investors Grievance Committee consists of the following:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Ms. Devyani Chhajed	Chairman	Non-Executive Independent Director
Ms. Anjali Jain	Member	Non-Executive Independent Director
Mrs. Sneha Chinmay Khandelwal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Company Secretary of our Company acts as the Secretary to the Committee.

### **Nomination and Remuneration Committee**

The re-constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 held on September 21, 2023.

As on the date of this Prospectus the Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Ms. Anjali Jain	Chairman	Non-Executive Independent Director
Ms. Devyani Chhajed	Member	Non-Executive Independent Director
Mrs. Sneha Chinmay Khandelwal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;

- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### ***Quorum and Meetings***

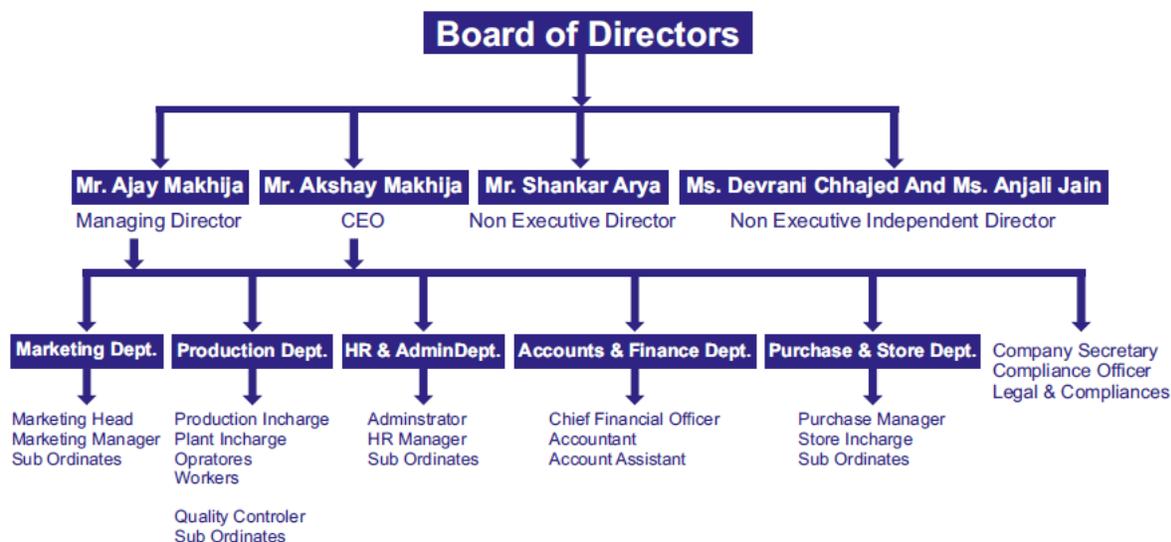
The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Company Secretary of our Company acts as the Secretary to the Committee. The Committee is required to meet at least once a year.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, after listing of our Company's equity shares on the Stock Exchange in India. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

### **ORGANIZATIONAL STRUCTURE OF THE COMPANY**



### **KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

### **OUR KEY MANAGERIAL PERSONNEL**

Other than the Managing Director and Chief Executive Officer of our Company whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this Prospectus are set forth below.

**Mr. Satyanarayan Rawat** is the Chief Financial Officer of our Company since August 14, 2023. He holds Master degree in Commerce from Devi Ahilya Vishwavidyalaya, Indore. He looks after the accounts and Finance matters of our Company. He has experience of over 12 years in managing accounts and finance. The remuneration payable to him as a CFO of our company is Rs. 5.04 Lakhs p.a. w.e.f. August 14, 2023.

**Ms. Sunila Kalra** is the Company Secretary and Compliance Officer of our Company. She is the member of Institute of Company Secretaries of India, since 2016. She has an experience of over 6 years in the secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from August 14, 2023. The remuneration payable to him as a CS of our company is Rs. 2.40 Lakhs p.a. w.e.f. August 14, 2023.

#### **Relationship between Key Managerial Personnel, Promoters and Directors**

Except as mentioned below, none of the other Directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013:

Mr. Ajay Makhija and Mr. Akshay Makhija being father and son to each other.

#### **Arrangement / Understanding with Major Shareholders / Customers / Suppliers.**

As on the date of this Prospectus, Our Company has no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Directors or Key Managerial Personnel was selected as a director or member of senior management.

#### **Shareholding of the Key Managerial Personnel other than the Directors**

Sr. No.	Name of the KMP`s	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Ajay Makhija	Managing Director	52,92,862	48.75
2.	Mr. Akshay Makhija	Executive Director and Chief Executive Officer	55,63,339	51.24

#### **Changes in Key Managerial Personnel during the last three years**

Following have been the changes in the Key Managerial Personnel during the last three years:

Name	Date of Change in Designation/ Appointment	Reason
Mr. Ajay Makhija	August 14, 2023	Change in designation to Managing Director
Mr. Akshay Makhija	August 14, 2023	Appointed as Executive Director and Chief Executive Officer
Mr. Satyanarayan Rawat	August 14, 2023	Appointed as Chief Financial Officer
Ms. Sunila Kalra	August 14, 2023	Appointed as Company Secretary and Compliance Officer

#### **Interest of Key Managerial Personnel**

Except as disclosed in “Interest of Directors” in “Our Management” on page no. 121 of this Prospectus in respect of our directors, none of our other key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in the chapter "Our Management" beginning on page 123 of this Prospectus, none of our key managerial personnel has been paid any consideration of any nature, other than their remuneration.

#### **Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel**

As on the date of this Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our key managerial personnel and any bonus and/ or profit-sharing plan for the Key Managerial Personnel, except the normal bonus payment as a part of remuneration except as disclosed in '*Annexure 35: Statement of Related Parties' Transactions*' under the chapter 'Financial Statement' beginning on page no. 143 of this Prospectus.

#### **Contingent and Deferred Compensation payable to Key Managerial Personnel**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **Scheme of Employee Stock Options or Employee Stock Purchase (ESOP/ESPS SCHEME)**

Our Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme or any other similar scheme giving options in our Equity Shares to our employees.

#### **Loans to Key Managerial Personnel**

Except as disclosed in chapter '*Financial Statement*' beginning on page no. 143, there are no loans outstanding against the Key Managerial Personnel as on the date of this Prospectus.

#### **Payment of Benefits to our Key Managerial Personnel (Non- Salary Related)**

Except for the payment of salaries, perquisites and reimbursement of expenses incurred in the ordinary course of business and as disclosed in '*Annexure 35: Statement of Related Parties' Transactions*' under the chapter '*Financial Statement*' beginning on page no. 174, we do not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel. Further, we have not paid/ given any other benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Prospectus.

#### **Service Contracts with Key Managerial Personnel**

As on the date of this Prospectus, our Company has not entered into any service contracts with the Key Managerial Personnel's.

## OUR PROMOTER AND PROMOTER GROUP

As on date of this Prospectus, our Promoters hold 1,08,56,201 Equity Shares having face value of Rs.10/- per share and representing 99.99 % of the pre-issue paid up Capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure- Shareholding of our Promoter" beginning on page no 56 of this Prospectus.

### THE BRIEF PROFILE OF OUR INDIVIDUAL PROMOTERS IS AS FOLLOWS:

#### MR. AJAY MAKHIJA

	<p><b>Mr. Ajay Makhija</b>, aged 58 years, is Promoter and Managing Director of the Company. He has completed Higher Secondary education. Before entering the Confectionery industry, he was successfully running a plastic shoe manufacturing unit for more than 20 years in Indore. After that, he started his own confectionery business in 2009 under the name of Italian Edibles Private Limited. Since 2009 till date i.e. 14 years he has been associated with our company and has been looking after all the business affairs, business strategy &amp; policy of the Company.</p> <p>For a brief profile, complete detail on his appointment as a director, positions / posts held in the past and in the present, other directorships and special achievements, please refer chapter titled "Our Management" on page no. 123 of this Prospectus.</p> <p>As on date of the Prospectus, Mr. Ajay Makhija holds 52,92,862 Equity Shares representing 48.75 % of the pre-issue paid-up share capital of our Company.</p>
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#### MR. AKSHAY MAKHIJA

	<p><b>Mr. Akshay Makhija</b>, 34 years, is Promoter Executive, Director and Chief Executive Officer of our Company. He holds Bachelor's degree in Business Administration from Devi Ahilya Vishwavidyalaya, Indore and Master's degree in the field of Management from Punjab Technical University, Jalandhar. He has more than 14 years of experience in Confectionery industry. He looks after the overall management of the company operations. He specifically looks after the exports of products and implementation of diverse company operations in India and Overseas.</p> <p>For a brief profile, complete detail on his appointment as a director, positions / posts held in the past and in the present, other directorships and special achievements, please refer chapter titled "Our Management" on page no. 123 of this Prospectus.</p> <p>As on date of the Prospectus, Mr. Akshay Makhija holds 55,63,339 Equity Shares representing 51.24 % of the pre-issue paid-up share capital of our Company.</p>
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*For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure – Shareholding of our Promoters" beginning on page no 56 of this Prospectus.*

#### Other Declaration and Confirmations

Our Company hereby confirms that the personal details of our Individual Promoters viz., Permanent Account Number, Passport Number and Bank Account Number will be submitted to the Stock Exchange at the time of filing this Prospectus with them.

#### *Relationship of Promoters with our Directors*

Except as mentioned below, none of the other Directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013:

Mr. Ajay Makhija and Mr. Akshay Makhija being father and son to each other.

### ***Change in the Management and control of our Company***

There has been no change in the Promoter, management, or control of our Company in the three years immediately preceding the date of this Prospectus.

### ***Details of Companies / Firms from which our Promoters have disassociated***

Except as mentioned below, our Promoter has not disassociated themselves from any firms or companies in the last three (3) years preceding this Prospectus.

<b>Name of Promoters</b>	<b>Name of Companies / Firms</b>	<b>Reason for disassociation</b>
Mr. Ajay Makhija and Mr. Akshay Makhija	Solaris International LLP	Strike Off
Mr. Akshay Makhija	Ramashray Finefoods LLP	Strike Off

### **Interest of Promoters**

#### ***Interest in promotion of Our Company***

Our Promoters hold 1,08,56,201 Equity Shares aggregating to 99.99 % of pre-issue Equity Share Capital in our Company. Our Promoters is interested to the extent that he has promoted our Company and to the extent of his directorship and shareholding in our Company & dividend payable thereon, if any and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For details regarding shareholding of our Promoter in our Company, please refer to the chapters titled **“Capital Structure”** and **“Our Management”** on page no. 54 and 123, respectively of this Prospectus.

Our Promoters may be interested to the extent of unsecured loans granted to our Company, if any. Further, our Promoters may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. Further, they may be deemed to be interested to the extent of transactions carried on / payment made by our Company to the proprietorship firm / partnership firm / companies in which they may act as a Proprietor/ Partner / Promoter and/or Directors. For further details, please refer to **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this Prospectus.

Our Promoters are also interested in our Company to the extent of being Managing Director and Executive Directors of our Company and the remuneration and reimbursement of expenses payable to him in such capacities in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AOA of our Company. For further details in this regard, please refer chapter titled **“Our Management”** on page no. 123 of this Prospectus

Our Promoters are also Promoter, Director and Shareholder of our Promoter Group Entities/ Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies and to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations. For further details please see **“Our Group Companies”** beginning on page no. 140 of this Prospectus.

#### **Experience of our Promoter in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, see Chapter **“Our Promoter”** and **“Our Management”** beginning on page no. 135 and 123 of this Prospectus.

#### ***Interest in the property of Our Company***

Except as disclosed in the chapters titled **“Our Business”** beginning on page no. 91 and **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this

Prospectus, our Promoter does not have any interest in any property acquired three (3) years prior to the date of this Prospectus.

Except as disclosed in the chapters titled **“Our Business”** beginning on page no. 91 and **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this Prospectus, our Promoters is currently not interested in various transactions with our Company involving acquisition of land, construction of building or supply of any machinery.

Our Promoters may be interested in transactions of our Promoter Group Companies/ Entities to the extent of their being the Promoter/ Directors/ Shareholders wherein the Promoter Group Companies/ Entities are involved in acquisition of land, construction of building or supply of any machinery. For further details please see **“Our Group Companies”** beginning on page no. 140 of this Prospectus.

#### ***Interest in transactions involving acquisition of land***

As on the date of this Prospectus, except as disclosed in **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this Prospectus, our Promoters do not have any interest in any property or in any transaction involving acquisition of land, construction of building or supply of any machinery by our Company.

#### ***Interest as a creditor of Our Company***

Except as stated in the **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this Prospectus, our Company has not availed any loans from the Promoters of our Company as on the date of this Prospectus.

#### ***Interest as Director of our Company***

Our Promoters, Mr. Ajay Makhija is the Managing Director and Mr. Akshay Makhija is Executive Director & CEO in our Company as on the date of filing the Prospectus. For details regarding their directorship and change in the board for the last three years in our Company, please refer to the chapter titled **“Our Management”** on page 123 of this Prospectus.

Except as stated in **‘Annexure 35: Statement of Related Parties’ Transactions’** in the chapter titled **‘Restated Financial Statement’** beginning on page no. 143 of this Prospectus and shareholding of our Promoters in our Company in the chapter titled **“Capital Structure”** beginning on page no. 54 of this Prospectus, our Promoters does not have any other interest in our company.

#### ***Interest as members of our Company***

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled **“Capital Structure”** beginning on page no. 54 of this Prospectus.

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters is interested as Members, Directors or Promoter nor have our Promoter been offered any inducements to become Directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated **‘Annexure 35: Statement of Related Parties’ Transactions’** on page no. 174 of the chapter titled **‘Financial Statements’** beginning on page no. 143 of this Prospectus and **“Our Group Companies”** beginning on page no. 140 of this Prospectus.

#### ***Other Ventures of our Promoter of Our Company***

Except as disclosed in the chapter titled **‘Our Promoter and Our Group Companies’** beginning on page no. 135 and 140 of this Prospectus respectively, there are no other ventures of our Promoters in which they have any other business interests and/ or other interests.

#### ***Payment or Benefit to Promoters of Our Company***

Save and except as stated otherwise in ‘*Annexure 35: Statement of Related Parties’ Transactions*’ in the chapter titled ‘*Restated Financial Statement*’ beginning on page no. 143 of this Prospectus, no payment has been made or benefit given or is intended to be given to our Promoters in the three (3) years preceding the date of this Prospectus.

### ***Related Party Transactions***

For details of related party transactions entered into by our Promoters, members of our Promoter Group and our Company, please refer to ‘*Annexure 35: Statement of Related Parties’ Transactions*’ on page no. 174 of the chapter titled ‘*Financial Statement*’ beginning on page no. 143 of this Prospectus.

### ***Guarantees***

As on date of this Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Prospectus.

### ***Litigation details pertaining to our Promoters***

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 199 of this Prospectus.

## **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

### **1) Natural Persons who are part of the Promoter Group**

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoters, are as follows:

<b>Relationship with Promoters</b>	<b>Mr. Ajay Makhija</b>	<b>Mr. Akshay Makhija</b>
Father	Deceased	Ajay Makhija
Mother	Chanda Rani Makhija	Meenakhshi Makhija
Spouse	Meenakhshi Makhija	Nishma Vaswani
Brother	Harshwardhan Makhija	-
	Naveen Kumar Makhija	
Brother	Deceased	-
Sister	-	Anjali Makhija
Son	Akshay Makhija	-
Daughter	Anjali Makhija	Navya Makhija #
Spouse`s Father	Deceased	Sudhir Vaswani
Spouse`s Mother	Shanti devi Arya	Anshu Vaswani
Spouse`s Brother(s)	Shankar Arya	Jatin Vaswani
Spouse`s Sister(s)	Kritika Manglani	-
	Pooja Vejrani	
	Mayuri Talreja	
	Deceased	

#Minor

### **2) As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, Companies/ Corporate Entities, Firms, Proprietorships and HUFs which form part of our Promoter Group are as follows:**

As per the extent of information available in relation to our Promoter group, there are no other companies, firms, proprietorships and HUF’s forming part of our Promoter Group as on date of this Prospectus except mentioned below:

<b>Sr. No.</b>	<b>Name of the Promoter Group Entities/ Company</b>
1.	Nutrabella Foods LLP

**Our Promoters, members of our Promoter Group, Promoter Group Entities/ Companies confirm that:**

- They have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad;
- They have not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018;
- They have a negative net worth as of the date of the respective last audited financial statements.

## **OUR GROUP COMPANIES/ ENTITIES**

As per the SEBI ICDR Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India such other companies as considered material by our Board.

Under the SEBI ICDR Regulations, the definition of 'group companies' includes such companies (other than the promoters and subsidiaries) with which the Company related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and such other companies as are considered material by the Board. Pursuant to a Board resolution dated September 25, 2023 our Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that: i) all companies with which the Company has entered into related party transactions as set out in the Restated Financial Statements; or such other companies as considered material by the Board are identified as Group Companies.

Accordingly, as on the date of this Prospectus, our Company has no Group Companies.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to '*Annexure 35: Statement of Related Parties' Transactions*' on page no. 174 of the chapter titled 'Restated Financial Statements' beginning on page no. 143 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. However, Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

Our Company has not declared and/or paid any dividend on equity shares since its incorporation.

## SECTION IX - FINANCIAL STATEMENTS

### RESTATED FINANCIALS INFORMATION

#### Independent Auditor's Report for the Restated Financial Statements of Italian Edibles Limited (Formerly known as Italian Edibles Private Limited)

To,  
**The Board of Directors**  
**Italian Edibles Limited**  
309/1/1/8 Block No. 03,  
Mangal Udhyog Nagar,  
Palda, Indore,  
Madhya Pradesh 452020.

Dear Sir/Madam,

1. We have examined the attached Restated Financial Statements of **Italian Edibles Limited** (formerly known as "Italian Edibles Private Limited") (the "**Company**" or the "**Issuer**") comprising the Restated Statement of Assets and liabilities as on August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the financial year ended August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Financial Statement of Significant Accounting Policies and other explanatory information annexed to this report (the "**Restated Financial Statements**") for the purpose of inclusion in the Prospectus ("**DP**") and Prospectus (hereinafter referred as, the "**Offer Documents**") of the Company proposed to be filed with the Emerge platform of National Stock Exchange of India Limited ("**NSE Emerge**") ("**Stock Exchange**") and the relevant Registrar of Companies ("**ROC**"). These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the Company at their meeting held on September 21, 2023.
2. These Restated Financial Statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the SEBI; and
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

#### Management's Responsibility for the Restated Financial Statements

3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Offer Documents. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements (defined hereinafter) of the Company as at and for the period ended financial year ended August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, which have been approved by the Board of Directors.
4. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Statements. The Board of Directors of the Company's responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

#### Auditors' Responsibilities

5. We have examined such Restated Financial Statements taking into consideration:

- a. The terms of reference and terms of our engagement agreed with you in accordance with our engagement letter; requesting us to carry out the assignment, in connection with the proposed IPO of equity shares of the Company
- b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, and the Guidance Note in connection with the proposed initial public offer of its equity shares of the Company.

6. The Restated Financial Statements have been compiled by the management from:
  - i. The audited financial statements of the Company as at and for the period ended August 31, 2023 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India;
  - ii. The audited financial statements of the Company as at and for the financial year ended March 31, 2023 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2023**”);
  - iii. The audited financial statements of the Company as at and for the financial year ended March 31, 2022 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2022**”);
  - iv. The audited financial statements of the Company as at and for the financial year ended March 31, 2021 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2021**”).
7. The statutory audits of the for the period year ended August 31, 2023 were conducted by previous statutory auditor i.e. Maheshwari & Gupta, Chartered Accountants and March 31, 2023, March 31, 2022 and March 31, 2021 were conducted by the previous statutory auditor i.e. Vijay K. Jain & Associates, Chartered Accountants. Accordingly, reliance has been placed on the financial information examined by them for the said years. The examination report included for these years is based solely on the report submitted by them and no audit has been carried out by us.
8. For the purpose of our examination, we have relied on:
  - a. the Auditors’ reports issued by Previous Auditor dated September 12, 2023 on Audited Financial Statements as at and for the year ended August 31, 2023 as referred in Paragraph 6 above;
  - b. the Auditors’ reports issued by Previous Auditor dated July 24, 2023 on Audited Financial Statements 2023 as at and for the year ended March 31, 2023 as referred in Paragraph 6 above;
  - c. the Auditors’ reports issued by Previous Auditor dated August 29, 2022 on Audited Financial Statements 2022 as at and for the year ended March 31, 2022 as referred in Paragraph 6 above;
  - d. the Auditors’ reports issued by Previous Auditor dated October 28, 2021 on Audited Financial Statements 2021 as at and for the year ended March 31, 2021 as referred in Paragraph 6 above;

9. Based on our examination and according to the information and explanations given to us and as per the reliance placed on our audit report and audit reports of Previous Auditor, we report that the Restated Financial Statements:
  - a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period/financial years ended August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended August 31, 2023;
  - b) does not contain any qualifications requiring adjustments; and
  - c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
10. We have been subjected to the peer review process of the ICAI and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
11. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Financial Statements mentioned in paragraph 7 above.
12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or Previous Auditor nor should this report be construed as a new opinion on any of the financial statements referred to therein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock Exchange, and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For M/s Maheshwari & Gupta**  
**Chartered Accountants**  
**ICAI FRN: 006179C**

**CA Sunil Maheshwari**  
**Proprietor**  
**Membership No.: 403346**  
**Place: Indore**  
**Date: September 21, 2023**  
**UDIN: 23403346BGUKQM2708**

## ANNEXURE 1

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b><u>Shareholders' Funds</u></b>					
(a)	Share Capital	7	1,085.72	171.43	171.43	150.00
(b)	Reserves & Surplus	8	202.21	906.82	642.60	433.82
	<b>Total (A)</b>		<b>1,287.92</b>	<b>1,078.24</b>	<b>814.03</b>	<b>583.82</b>
<b>3.</b>	<b><u>Non-Current Liabilities</u></b>					
(a)	Long Term Borrowings	9	367.29	285.76	581.29	852.65
(b)	Non- Current Liabilities	11	40.40	37.18	32.26	20.49
	<b>Total (C)</b>		<b>407.69</b>	<b>322.94</b>	<b>613.54</b>	<b>873.14</b>
<b>4.</b>	<b><u>Current Liabilities</u></b>					
(a)	Short Term Borrowings	10	1,528.18	1,444.79	1,233.94	1,640.33
(b)	Trade Payables	12				
	(i) total outstanding dues to micro enterprises and small enterprises		441.77	374.37	488.57	287.02
	(ii) total outstanding dues to creditor other than micro enterprises and small enterprises		897.72	755.77	583.30	461.51
(c)	Other Current Liabilities	13	46.25	24.77	73.97	37.37
(d)	Short Term Provisions	14	215.11	154.37	98.10	63.23
	<b>Total (D)</b>		<b>3,129.02</b>	<b>2,754.06</b>	<b>2,477.88</b>	<b>2,489.46</b>
	<b>Total Equity and Liabilities (A+B+C+D)</b>		<b>4,824.64</b>	<b>4,155.24</b>	<b>3,905.45</b>	<b>3,946.43</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b><u>Non-Current Assets</u></b>					
(a)	Property, Plant and Equipment and Intangible Assets					
	i) Property, plant and equipment	15A	384.24	345.63	488.27	535.83
	iii) Capital work-in-progress	15C	10.70	12.11	14.89	14.01
	ii) Intangible assets	15B	154.60	106.59	105.64	122.13
			<b>549.55</b>	<b>464.34</b>	<b>608.81</b>	<b>671.97</b>
(b)	Non-Current Investments	16	0.10	0.10	0.95	0.51
(c)	Long Term Loans and Advances	17	16.93	16.58	26.51	29.43
(d)	Other Non-Current Assets	18	-	24.46	73.37	-
(e)	Deferred Tax Asset (Net)	19	46.19	46.19	10.95	10.95
	<b>Total (A)</b>		<b>612.77</b>	<b>551.68</b>	<b>720.58</b>	<b>712.86</b>

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>2.</b>	<b>Current Assets</b>					
(a)	Inventories	20	2,866.84	2,473.70	2,048.58	1,733.58
(b)	Trade Receivables	21	919.83	723.44	777.46	759.29
(c)	Cash and Bank Balances	22	23.68	22.44	30.56	604.71
(d)	Short term loans and advances	23	314.97	324.88	264.81	11.93
(e)	Other Current Assets	24	86.55	59.11	63.46	124.05
	<b>Total (B)</b>		<b>4,211.86</b>	<b>3,603.57</b>	<b>3,184.87</b>	<b>3,233.57</b>
	<b>Total Assets (A+B)</b>		<b>4,824.64</b>	<b>4,155.24</b>	<b>3,905.45</b>	<b>3,946.43</b>

## ANNEXURE 2

### RESTATED STATEMENT OF PROFIT & LOSS

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>1</b>	<b>Income</b>					
(a)	Revenue From Operations	25	3,051.70	6,321.20	7,541.15	4,890.36
(b)	Other Income	26	0.46	8.89	4.10	9.07
<b>2</b>	<b>Total Income (1a+1b)</b>		<b>3,052.16</b>	<b>6,330.09</b>	<b>7,545.25</b>	<b>4,899.44</b>
<b>3</b>	<b>Expenditure</b>					
(a)	Cost of raw material consumed	27	1,876.96	3,888.70	4,947.47	2,617.09
(b)	Purchases of Stock in Trade	28	316.61	1,002.08	1,018.55	1,234.30
(c)	Changes In Inventories Of Finished Goods, and Stock-In-Trade	29	32.75	(124.77)	(4.25)	(3.99)
(d)	Employee Benefit Expenses	30	239.76	521.72	639.83	416.88
(e)	Finance Cost	31	68.21	184.84	169.01	158.29
(f)	Depreciation & Amortization	32	49.83	177.68	134.54	97.86
(g)	Other Expenses	33	186.31	342.71	502.33	266.50
<b>4</b>	<b>Total Expenditure 3(a) to 3(g)</b>		<b>2,770.43</b>	<b>5,992.96</b>	<b>7,407.47</b>	<b>4,786.93</b>
	<b>Profit/(Loss) Before Exceptional and Extra-Ordinary Item</b>		281.73	337.13	137.77	112.50
	Exceptional Items		-	-	-	-
<b>5</b>	<b>Profit/(Loss) Before Tax (2-4)</b>		<b>281.73</b>	<b>337.13</b>	<b>137.77</b>	<b>112.50</b>
<b>6</b>	<b>Tax Expense:</b>					
(a)	Tax Expense For Current Year		72.05	108.16	57.57	36.94
(b)	Deferred Tax		-	(35.25)	-	(10.95)
	<b>Net Current Tax Expenses</b>		<b>72.05</b>	<b>72.92</b>	<b>57.57</b>	<b>25.99</b>

PARTICULARS		Annexure Nos.	AS AT			
			31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
7	<b>Profit/(Loss) for the period from continuing operations (5-6)</b>		<b>209.68</b>	<b>264.21</b>	<b>80.21</b>	<b>86.52</b>
8	<b>Restated Earnings Per Share</b>					
	Basic	Rs.	1.93	2.43	0.75	0.81
	Diluted	Rs.	1.93	2.43	0.75	0.81

### ANNEXURE 3

#### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

PARTICULARS	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>A) Cash Flow From Operating Activities:</b>				
Net Profit before tax	281.73	337.13	137.77	112.50
Adjustment for:				
Depreciation	49.83	177.68	134.54	97.86
Interest Paid	68.18	181.10	165.92	147.78
Adjustments for unrealised foreign exchange Losses / (Gains)	-	-	(2.11)	-
Interest Income	0.46	0.58	1.99	2.69
(Profit) / Loss on sale of property, plant and equipment	-	(0.13)	19.49	(6.37)
Operating profit before working capital changes	400.21	696.36	457.59	354.47
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Inventories	(393.14)	(425.12)	(315.00)	(229.72)
(Increase)/Decrease in Trade Receivables	(196.39)	54.02	(18.17)	(80.74)
(Increase)/Decrease in Long Term Loans & Advances	(0.34)	9.92	2.92	(0.83)
(Increase)/Decrease in Short Term Loans & Advances	9.91	(60.07)	(252.88)	35.34
(Increase)/Decrease in Other Current Assets	(27.44)	4.35	60.59	(12.54)
(Increase)/Decrease in Other Non-Current Assets	24.46	48.91	(73.37)	-
Increase/(Decrease) in Trade Payables	209.35	58.27	323.33	(202.92)
Increase/(Decrease) in Other Current Liabilities	21.48	(49.20)	36.60	26.56
Increase/(Decrease) in Other Non- Current Liabilities	3.22	4.92	11.77	6.19
Increase/(Decrease) in Short Term Provisions	60.74	56.27	34.88	(2.21)
Increase/(Decrease) in Short Term Borrowings	83.39	210.84	(406.39)	461.96
<b>Cash generated from operations</b>	<b>195.46</b>	<b>609.49</b>	<b>(138.13)</b>	<b>355.57</b>
Direct Tax Paid / (Refund) [Net]	72.05	29.18	-	36.94
<b>Cash Flow Before Extraordinary Item</b>	<b>123.40</b>	<b>580.31</b>	<b>(138.13)</b>	<b>318.63</b>
Extraordinary Items	-	-	-	-

PARTICULARS	AS AT				
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21	
Net cash flow from operating activities	123.40	580.31	(138.13)	318.63	
<b>B) Cash Flow From Investing Activities:</b>					
Purchase/Sale of Property, Plant and Equipment and Intangibles	(134.46)	(33.09)	(60.37)	(218.19)	
(Increase)/Decrease in Non-Current Investments	-	0.85	(0.44)	-	
Interest Income	(0.46)	(0.58)	(1.99)	(2.69)	
Other Inflow / (Outflows) of cash	-	(78.99)	21.20	-	
<b>Net cash flow from investing activities</b>	<b>(134.93)</b>	<b>(111.81)</b>	<b>(41.60)</b>	<b>(220.88)</b>	
<b>C) Cash Flow From Financing Activities:</b>					
Increase/(Decrease) in Long Term Borrowings	81.54	(295.53)	(271.37)	584.68	
Increase / (Decrease) in share capital		-	21.43		
Interest Paid	(68.18)	(181.10)	(165.92)	(147.78)	
<b>Net cash flow from financing activities</b>	<b>13.35</b>	<b>(476.63)</b>	<b>(394.43)</b>	<b>436.90</b>	
Net Increase/(Decrease) In Cash & Cash Equivalents	1.25	(8.13)	(574.16)	534.64	
Cash equivalents at the beginning of the year	22.43	30.56	604.71	70.07	
Cash equivalents at the end of the year	23.68	22.43	30.56	604.71	
Notes:-					
	AS AT				
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21	
1	Component of Cash and Cash equivalents				
	Cash on hand	20.96	17.76	27.99	15.34
	Balance With banks	2.73	4.68	2.56	589.38
	Fixed Deposit	-	-	-	-
		23.68	22.44	30.56	604.71
2.1 The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.					
2.2 The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6.					
2.3 This is the Restated Statement of Cash Flows referred to in our report of even date.					

#### **ANNEXURE-4**

#### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS**

##### **1) BACKGROUND**

The Company was originally incorporated as a Private Limited Company in the name Italian Edibles Private Limited domiciled in India under the provisions of the Companies Act, 1956 and now governed by Provisions of Companies Act 2013. Subsequently, the company was converted from a Private Limited Company to Public Limited Company and the name of the company was changed to "Italian Edibles Limited" having Company Incorporation No. (CIN)

U15141MP2009PTC022797 the Company was incorporated in 2009 and is engaged in supplies Biscuit (wafer), dairy, ice- cream, confectionery products to many business houses in India.

## **2) SIGNIFICANT ACCOUNTING POLICY**

### **1. Basis of accounting: -**

The Restated Statement of Assets and Liabilities of the Company as on August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended on August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Audited Financial Statements of the Company for the year ended August 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on accrual basis.

### **2. Use of Estimates:-**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### **3. Revenue Recognition: -**

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **4. Property, Plant & Equipment: -**

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

### **5. Depreciation: -**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation/purchase.

Depreciation on assets acquired/sold during the year is recognized on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**6. Foreign currency Transactions: -**

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year-end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

**7. Investments: -**

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**8. Inventories: -**

Inventories are valued as under: -

1. Inventories : Lower of cost (FIFO) or net realizable value
2. Scrap : At net realizable value.

**9. Borrowing cost: -**

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence. The amount of borrowing cost capitalized during the year is NIL.

**10. Retirement Benefits: -**

The retirement benefits are accounted for as and when liability becomes due for payment.

**11. Taxes on Income: -**

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

**12. Provisions, Contingent Liabilities and Contingent Assets: - (AS-29)**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

**General:**

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

**A. NOTES TO ACCOUNTS**

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries does include director's remuneration on account of salary.
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Payments to Auditors:

<b>Auditors Remuneration</b>	<b>August 31, 2023</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
Audit Fees	-	70,000/-	65,000/-	55,000/-
Tax Audit Fees	-	40,000/-	35,000/-	35,000/-
<b>Total</b>	<b>-</b>	<b>1,10,000/-</b>	<b>1,00,000/-</b>	<b>90,000/-</b>

5. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
6. Material Grouping:

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

**ANNEXURE 5**

**(a) Impact of restatement adjustments**

**Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.**

**(Amount in Lakhs, Unless Otherwise Stated)**

<b>Particulars</b>	<b>AS AT</b>			
	<b>31-Aug-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Net profit before tax as per audited financial statements	<b>286.29</b>	<b>343.29</b>	<b>152.00</b>	<b>119.45</b>
<b>Restatement adjustments:</b>	-	-	-	-
Provision for Gratuity	4.56	6.16	14.22	6.94
<b>Restated net profit before tax</b>	<b>281.73</b>	<b>337.13</b>	<b>137.77</b>	<b>112.50</b>

## ANNEXURE 6

### (a) Reconciliation of restated Equity/ Networth

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Equity/ Networth as per audited financials	1,335.50	1,121.27	859.06	606.47
<b>Restatement adjustments:</b>	-	-	-	-
Provision for Gratuity	4.78	43.03	14.22	6.94
<b>Restated Equity/ Networth</b>	<b>1,287.92</b>	<b>1,078.24</b>	<b>814.03</b>	<b>583.82</b>

### (b) Explanatory notes for the restatement adjustments

(i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same related to.

(ii) The company has provided excess provision of tax in the year in which income tax return has been filed and has been adjusted in prior period items in financials but in the restated financials it has been adjusted in the same financial year where it relates to.

(iii) Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.

## ANNEXURE 7

### STATEMENT OF SHARE CAPITAL

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b><u>Authorised</u></b>				
Number of shares	1,65,00,000	2,500,000	2,500,000	2,500,000
Equity shares of Rs.10 each	1650.00	250.00	250.00	250.00
<b><u>Issued</u></b>				
Number of shares	10,857,151	1,714,287	1,714,287	1,500,000
Equity shares of Rs.10 each fully paid up	1,085.72	171.43	171.43	150.00
<b><u>Subscribed &amp; Paid up</u></b>				
Number of shares	10,857,151	1,714,287	1,714,287	1,500,000
Equity shares of Rs.10 each fully paid up	1,085.72	171.43	171.43	150.00

### Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### RECONCILIATION OF NUMBER OF SHARES

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Shares outstanding at the beginning of the year	17,14,287	17,14,287	15,00,000	15,00,000
Add:				
Shares issued during the year*	91,42,864	-	2,14,287	-
Less:				
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,08,57,151	17,14,287	17,14,287	15,00,000

\* During the Year 23-24 Company has issued 91,42,864 Bonus Shares.

There are no shares held by holding / ultimate holding company and / or their subsidiaries / Associates.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	Number of Shares and % Holding As At			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Ajay Makhija	52,92,862	8,35,715	8,35,715	7,50,000
% Holding	48.75%	48.75%	48.75%	50.00%
Akshay Makhija	55,63,339	8,78,572	8,78,572	7,50,000
% Holding	51.24%	51.25%	51.25%	50.00%

Shareholding of Promoters at the end of the period

As at 31-Aug-2023

Name of the shareholder	No. of Shares	% of total shares	% change during the period
Ajay Makhija	52,92,862	48.75%	0.00%
Akshay Makhija	55,63,339	51.24%	-0.01%

As at 31-Mar-2023

Name of the shareholder	No. of Shares	% of total shares	% change during the period
Ajay Makhija	8,35,715	48.75%	0.00%
Akshay Makhija	8,78,572	51.25%	0.01%

As at 31-Mar-2022

Name of the shareholder	No. of Shares	% of total shares	% change during the period
Ajay Makhija	8,35,715	48.75%	-1.25%
Akshay Makhija	8,78,572	51.25%	

As at 31-Mar-2021

Name of the shareholder	No. of Shares	% of total shares
Ajay Makhija	7,50,000	50.00%
Akshay Makhija	7,50,000	50.00%

## ANNEXURE 8

### STATEMENT OF RESERVES AND SURPLUS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Securities Premium</b>				
Balance as per last financial statements	128.57	128.57	-	-

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Add: Received/Utilised during the year	(128.57)	-	128.57	-
Balance as per end of the financial period (A)	-	<b>128.57</b>	<b>128.57</b>	-
<b>Surplus of Profit and Loss Account</b>				
Balance as per the last financial statements	778.24	514.03	433.82	363.01
Gratuity for earlier years	-	-	-	15.70
Profit/(Loss) for the year	209.68	264.21	80.21	86.52
Reduction on account for Bonus Issue	(785.71)	-	-	-
Amount available for appropriation (B)	202.21	778.24	514.03	433.82
<b>Total</b>	<b>202.21</b>	<b>906.82</b>	<b>642.60</b>	<b>433.82</b>

## ANNEXURE 9

### STATEMENT OF LONG-TERM BORROWINGS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Secured Loan</b>				
- From bank and financial institutions	190.75	182.27	317.97	520.03
	<b>190.75</b>	<b>182.27</b>	<b>317.97</b>	<b>520.03</b>
<b>Unsecured Loan</b>				
- From bank and financial institutions	33.00	15.03	127.14	183.97
- From related parties	143.55	88.45	136.18	148.66
	<b>176.55</b>	<b>103.49</b>	<b>263.32</b>	<b>332.63</b>
<b>Total</b>	<b>367.29</b>	<b>285.76</b>	<b>581.29</b>	<b>852.65</b>

## ANNEXURE 10

### STATEMENT OF SHORT-TERM BORROWINGS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Secured Loan</b>				
- Current maturities of long term borrowings	168.20	134.06	135.55	326.18
- From bank and financial institutions	1,298.51	1,196.20	953.43	1,182.73
	<b>1,466.70</b>	<b>1,330.25</b>	<b>1,088.98</b>	<b>1,508.91</b>
<b>Unsecured Loan</b>				
- Current maturities of long term borrowings	61.55	114.19	144.61	133.00
- From bank and financial institutions	(0.07)	0.34	0.36	(1.57)
	<b>61.47</b>	<b>114.53</b>	<b>144.97</b>	<b>131.43</b>
<b>Total</b>	<b>1,528.18</b>	<b>1,444.79</b>	<b>1,233.94</b>	<b>1,640.33</b>
The above amount includes:				
Secured Borrowings	1,657.45	1,512.53	1,406.94	2,028.93
Unsecured Borrowings	238.02	218.02	408.29	464.06

ANNEXURE 9.1 & ANNEXURE 10.1

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Nature of Facility	Purpose	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)			
						31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
HDFC BANK LTD	Cash Credit	Business Purpose	1300.00	Securities offered Stock, Book Debts, charge on all fixed assets and 3 Property including factory land and building	9.18%	1298.51	11.96	953.43	745.70
INDUSIND BANK LTD	Adhoc Limit	Business Purpose	100.00		9.60 %	-	-	-	100.00
INDUSIND BANK LTD	Cash Credit	Business Purpose	965.00		9.60 %	-	-	-	437.03
INDUSIND BANK LTD TERM LOAN (45 Lac) A/c - 508003459332	Term Loan	Business Purpose	45.00		9.60 %	-	-	-	31.30
INDUSIND BANK LTD TERM LOAN (50 Lac) A/c - 510003489257	Term Loan	Business Purpose	50.00		9.60 %	-	-	-	36.52
INDUSIND BANK LTD TERM LOAN (60 Lac) A/c - 508003455747	Term Loan	Business Purpose	60.00		9.60 %	-	-	-	20.44
INDUSIND BANK LTD TERM LOAN (63 lac) A/c - 508003459264	Term Loan	Business Purpose	63.00		9.60 %	-	-	-	46.33
INDUSIND BANK LTD TERM LOAN (70 Lac) A/c - 511003368481	Term Loan	Business Purpose	70.00		9.60 %	-	-	-	8.06
INDUSIND BANK LTD -W.C.TERM LOAN A/C NO.570000019192	W.C. Term Loan	Business Purpose	216.30		9.60 %	-	-	-	216.30
HDFC BANK LTD (TERM LOAN-036LN06232000001)	Term Loan	Business Purpose	41.76		9.75%	40.60	-	-	-

Name of Lender	Nature of Facility	Purpose	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)			
						31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
HDFC BANK LTD (TERM LOAN-036LN06232190002)	Term Loan	Business Purpose	58.19		9.75%	53.48	-	-	-
HDFC BANK LTD (TERM LOAN-036LN06212460001)	Term Loan	Business Purpose	34.87		9.75%	21.50	24.41	31.38	-
HDFC BANK LTD (TERM LOAN-036LN06212700001)	Term Loan	Business Purpose	5.96		9.75%	3.67	4.17	5.36	-
HDFC BANK LTD (TERM LOAN-036LN06213350002)	Term Loan	Business Purpose	9.00		9.75%	5.74	6.52	8.38	-
HDFC BANK LTD (GECL LOAN-240LN65210900007)	Term Loan	Business Purpose	216.30		9.75%	84.12	114.16	187.73	216.30
HDFC BANK LTD (TERM LOAN-036LN06210820001)	Term Loan	Business Purpose	31.30		9.75%	6.09	10.43	20.87	31.30
HDFC BANK LTD (TERM LOAN-036LN06210820002)	Term Loan	Business Purpose	9.77		9.75%	-	-	-	9.77
HDFC BANK LTD (TERM LOAN-036LN06210820003)	Term Loan	Business Purpose	47.43		9.75%	9.22	15.81	31.62	47.43
HDFC BANK LTD (TERM LOAN-036LN06210820004)	Term Loan	Business Purpose	21.56		9.75%	-	-	5.39	21.56
HDFC BANK LTD (TERM LOAN-036LN06210820005)	Term Loan	Business Purpose	32.50		9.75%	6.32	10.83	21.67	32.50
HDFC BANK LTD (GECL LOAN 240LN65220190001)	Term Loan	Business Purpose	108.00		9.75%	108.00	108.00	108.00	-
MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD.	Term Loan	Business Purpose	40.66	NA	17.50	-	-	-	38.07

Name of Lender	Nature of Facility	Purpose	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)			
						31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
BANK OF BARODA	Car Loan	Business Purpose	13.80	NA	7.10%	9.22	10.57	13.80	-
AU SMALL FINANCE BANK	Vehicle Loan	Business Purpose	6.80		12%	-	-	-	1.94
ICICI BANK LTD	Car Loan	Business Purpose	13.60	NA	9.70%	1.34	2.70	5.76	8.50
KOTAK MAHINDRA BANK LTD	Car Loan	Business Purpose	23.21	NA	9.50%	6.56	8.73	13.55	17.94
Aditya Birla Finance Ltd	Business Loan	Business Purpose	50.00	NA	15.50%	13.18	20.77	35.35	49.69
SRESTHA FINVEST LTD.	Business Loan	Business Purpose	25.00	NA	15.50%	25.00	-	-	-
AXIS BANK LTD	Business Loan	Business Purpose	40.00	NA	15.00%	6.40	12.88	26.94	39.04
CAPFLOAT FINANCIAL SERVICES P.LTD.	Business Loan	Business Purpose	50.00	NA	18.00%	-	-	-	16.82
FULLERTON INDIA CREDIT CO.LTD	Business Loan	Business Purpose	40.00	NA	15.50%	-	-	-	40.00
FULLERTON INDIA CREDIT CO.LTD	Business Loan	Business Purpose	50.00	NA	15.50%	11.72	22.70	46.40	-
ICICI BANK LTD	Business Loan	Business Purpose	25.00	NA	15.50%		2.34	15.48	
IDFC FIRST BANK LIMITED	Business Loan	Business Purpose	48.96	NA	15.00%	11.53	18.80	35.00	48.96
KOTAK MAHINDRA BANK LTD	Business Loan	Business Purpose	49.50	NA	16.50%	-	11.65	36.76	-
INDIABULLS CONSUMER FINANCE LTD.	Business Loan	Business Purpose	25.29	NA	18.00%	-	-	-	6.04
MAGMA - POONAWALLA FIN. LTD	Business Loan	Business Purpose	25.00	NA	17.50%	-	-	-	13.53

Name of Lender	Nature of Facility	Purpose	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)			
						31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
MAGMA - POONAWALLA FIN. LTD	Business Loan	Business Purpose	35.00	NA	16.00%	11.39	16.71	27.96	-
STANDARD CHARTERED BANK LTD	Business Loan	Business Purpose	50.00	NA	13.00%	-	-	13.67	27.03
STANDARD CHARTERED BANK LTD	Business Loan	Business Purpose	10.74	NA	9.25%	10.74	10.74	10.74	-
TATA CAPITAL FIN. SER. LTD.	Business Loan	Business Purpose	32.75	NA	15.50%	7.60	12.63	23.47	32.75
UNITED PETRO FINANCE LTD.	Business Loan	Business Purpose	21.00	NA	19.00%	-	-	-	5.01
Related Party	Loan	Business Purpose	-	NA	-	143.55	88.45	136.18	148.66

ANNEXURE 11

STATEMENT OF NON-CURRENT LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Provision for Gratuity Expense	40.40	37.18	32.26	20.49
	<b>40.40</b>	<b>37.18</b>	<b>32.26</b>	<b>20.49</b>

ANNEXURE 12

STATEMENT OF TRADE PAYABLES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar - 22	31-Mar-21
<b>For Goods &amp; Services</b>				
- Micro, small and medium enterprises	441.77	374.37	488.57	287.02
- Others	897.72	755.77	583.30	461.51
<b>Total</b>	<b>1,339.49</b>	<b>1,130.14</b>	<b>1,071.86</b>	<b>748.53</b>

The trade payables ageing schedule for the period August 31, 2023 is as follows

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	416.60	18.96	6.00	0.21	<b>441.77</b>
Others	-	874.70	19.07	3.94	-	<b>897.72</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

The trade payables ageing schedule for the period March 31, 2023 is as follows

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	358.15	16.01	0.21	-	<b>374.37</b>
Others	-	732.72	18.84	0.75	3.45	<b>755.77</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

The trade payables ageing schedule for the period March 31, 2022 is as follows

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	483.17	5.19	0.21	-	<b>488.57</b>
Others	-	578.21	0.83	0.82	3.45	<b>583.30</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

The trade payables ageing schedule for the period March 31, 2021 is as follows

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	258.17	28.85	-	-	<b>287.02</b>
Others	-	332.73	128.78	-	-	<b>461.51</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
(a) Amount remaining unpaid to any supplier at the end of each accounting year:				
Principal and interest	-	-	-	-
Total	-	-	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-

### ANNEXURE 13

#### STATEMENT OF OTHER CURRENT LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Excess payment received	5.00	5.00	5.00	5.00
Provision for Gratuity	7.18	5.85	4.61	2.16
Security deposits	18.92	13.92	21.91	30.21
Other payables	15.14	-	42.45	-
<b>Total</b>	<b>46.25</b>	<b>24.77</b>	<b>73.97</b>	<b>37.37</b>

## ANNEXURE 14

## STATEMENT OF SHORT-TERM PROVISIONS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Provision for employee benefit expense	44.31	53.15	58.25	33.13
Provision for expenses	15.92	7.17	10.68	14.19
Provision for income tax (net of advance tax and tax deducted at source)	154.88	94.05	29.18	15.91
<b>Total</b>	<b>215.11</b>	<b>154.37</b>	<b>98.10</b>	<b>63.23</b>

## ANNEXURE 15

## PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

## A. PROPERTY, PLANT AND EQUIPMENT

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	Plot	Tin Shed	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Computers	Total
<b>Period ended August 31, 2023</b>								
<b>GROSS CARRYING AMOUNT</b>								
Opening gross carrying amount	10.50	36.03	659.63	20.42	81.24	40.52	8.58	856.91
Additions	-	1.71	89.54	-	-	0.78	-	92.03
Disposals/Adjustment	-	-	(5.58)	-	-	-	-	(5.58)
<b>Closing Gross Carrying Amount</b>	10.50	37.73	738.25	20.42	69.32	41.31	8.58	926.11
<b>ACCUMULATED DEPRECIATION</b>								
Opening accumulated depreciation	-	31.63	35.61	9.99	58.84	26.78	5.88	168.72
Depreciation charged during the year	-	1.16	41.28	1.13	3.00	1.58	0.28	48.42
Disposals/Adjustments	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	-	32.79	414.17	11.11	49.34	28.57	6.15	542.13
<b>Net Carrying Amount</b>	10.50	4.95	324.14	9.31	19.98	12.95	2.42	384.24
<b>PARTICULARS</b>	<b>Plot</b>	<b>Tin Shed</b>	<b>Plant and Equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Office equipments</b>	<b>Computers</b>	<b>Total</b>
<b>Year ended March 31, 2023</b>								
<b>GROSS CARRYING AMOUNT</b>								
Opening gross carrying amount	10.50	34.24	632.43	17.60	84.04	39.11	8.57	826.48
Additions	-	1.78	47.57	2.82	-	1.42	-	53.60
Disposals/Adjustment	-	-	(20.63)	-	(2.80)	-	-	(23.43)
<b>Closing Gross Carrying Amount</b>	10.50	36.03	659.63	20.42	81.24	40.52	8.58	856.91

Particulars	Plot	Tin Shed	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Computers	Total
<b>ACCUMULATED DEPRECIATION</b>								
Opening accumulated depreciation	-	26.97	309.51	6.86	47.45	21.41	4.98	417.18
Depreciation charged during the year	-	4.66	147.60	3.13	11.39	5.40	0.90	173.07
Disposals/Adjustments	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	-	31.63	35.61	9.99	58.84	26.78	5.88	168.72
<b>Net Carrying Amount</b>	10.50	4.40	281.46	10.43	22.40	13.75	2.70	345.63
<b>Year ended March 31, 2022</b>								
<b>GROSS CARRYING AMOUNT</b>								
Opening gross carrying amount	148.30	28.58	537.76	10.60	68.32	27.09	6.10	826.74
Additions	-	5.66	312.43	7.00	15.72	12.52	2.48	355.82
Disposals/Adjustment	(148.80)	-	(105.55)	-	-	(0.23)	-	(254.58)
<b>Closing Gross Carrying Amount</b>	10.50	34.24	632.43	17.60	84.04	39.11	8.57	826.48
<b>ACCUMULATED DEPRECIATION</b>								
Opening accumulated depreciation	-	19.20	215.32	4.22	43.28	16.09	4.01	302.13
Depreciation charged during the year	-	7.77	102.58	2.63	9.96	5.40	0.97	129.31
Disposals/Adjustments	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	-	26.97	309.51	6.86	47.45	21.41	4.98	417.18
<b>Net Carrying Amount</b>	10.50	7.28	401.85	10.74	36.59	17.73	3.59	488.27
<b>Year ended March 31, 2021</b>								
<b>GROSS CARRYING AMOUNT</b>								
Opening gross carrying amount	148.30	24.88	454.65	8.40	76.15	23.84	6.10	742.32

Particulars	Plot	Tin Shed	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Computers	Total
Additions	-	3.70	101.21	2.20	-	3.25	-	110.35
Disposals/Adjustment	-	-	(16.86)	-	(4.00)	-	-	(20.86)
<b>Closing Gross Carrying Amount</b>	148.30	28.58	537.76	10.60	68.32	27.09	6.10	826.74
<b>ACCUMULATED DEPRECIATION</b>								
Opening accumulated depreciation	-	8.26	153.24	2.61	28.95	12.00	3.34	208.40
Depreciation charged during the year	-	10.94	62.05	1.61	14.33	4.10	0.68	93.70
Disposals/Adjustments	-	-	(0.03)	-	-	-	-	(0.03)
<b>Closing Accumulated Depreciation</b>		19.20	215.32	4.22	43.28	16.09	4.01	302.13
<b>Net Carrying Amount</b>	148.30	9.38	328.13	6.37	30.82	10.75	2.08	535.83

**Title Deeds of Immovable Property not held in the Name of Company.**

Particular	Relevant Line Item in Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of company
There is no immovable property whose title deeds are not held other than in the name of the company therefore not applicable.							

**Benami Property**

There is no proceeding initiated or pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988.

**B. INTANGIBLE ASSETS**

PARTICULARS	Trade Mark	Cartoon Characters	Software	Total
<b>Period ended August 31, 2023</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening gross carrying amount	25.11	4.31	0.54	29.96
Additions	-	-	-	-
Disposals/Adjustment	-	-	-	-
<b>Closing Gross Carrying Amount</b>	25.11	4.31	0.54	29.96

<b>PARTICULARS</b>	<b>Trade Mark</b>	<b>Cartoon Characters</b>	<b>Software</b>	<b>Total</b>
<b>ACCUMULATED DEPRECIATION</b>				
Opening accumulated depreciation	13.84	3.55	0.46	17.84
Depreciation charged during the year	1.21	0.18	0.01	1.41
Disposals/Adjustments	-	-	-	-
<b>Closing Accumulated Depreciation</b>	15.05	3.73	0.48	19.25
<b>Net Carrying Amount</b>	10.06	0.58	0.06	10.70
<b>Year ended March 31, 2023</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening gross carrying amount	23.55	4.03	0.54	28.12
Additions	1.56	0.28	-	1.84
Disposals/Adjustment	-	-	-	-
<b>Closing Gross Carrying Amount</b>	25.11	4.31	0.54	29.96
<b>ACCUMULATED DEPRECIATION</b>				
Opening accumulated depreciation	10.16	2.68	0.40	13.23
Depreciation charged during the year	3.68	0.87	0.07	4.61
Disposals/Adjustments	-	-	-	-
<b>Closing Accumulated Depreciation</b>	13.84	3.55	0.46	17.84
<b>Net Carrying Amount</b>	11.27	0.76	0.08	12.11
<b>Year ended March 31, 2022</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening gross carrying amount	18.17	3.30	0.54	22.01
Additions	5.38	0.73	-	6.11
Disposals/Adjustment	-	-	-	-
<b>Closing Gross Carrying Amount</b>	23.55	4.03	0.54	28.12
<b>ACCUMULATED DEPRECIATION</b>				

<b>PARTICULARS</b>	<b>Trade Mark</b>	<b>Cartoon Characters</b>	<b>Software</b>	<b>Total</b>
Opening accumulated depreciation	6.46	1.27	0.28	8.00
Depreciation charged during the year	3.70	1.41	0.12	5.23
Disposals/Adjustments	-			-
<b>Closing Accumulated Depreciation</b>	10.16	2.68	0.40	13.23
<b>Net Carrying Amount</b>	13.39	1.35	0.14	14.89
<b>Year ended March 31, 2021</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening gross carrying amount	13.21	1.69	0.54	15.44
Additions	4.96	1.61	-	6.57
Disposals/Adjustment	-	-	-	-
<b>Closing Gross Carrying Amount</b>	18.17	3.30	0.54	22.01
<b>ACCUMULATED DEPRECIATION</b>				
Opening accumulated depreciation	3.62	0.17	0.06	3.84
Depreciation charged during the year	2.85	1.09	0.22	4.16
Disposals/Adjustments	-	-	-	-
<b>Closing Accumulated Depreciation</b>	6.46	1.27	0.28	8.00
<b>Net Carrying Amount</b>	11.71	2.03	0.26	14.01

**C. Capital-Work-in Progress (CWIP)**

<b>PARTICULARS</b>	<b>Plant &amp; Machinery</b>	<b>Total</b>
<b>Period ended August 31, 2023</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening gross carrying amount	106.59	106.59
Additions	48.01	48.01
Disposals/Capitalised	-	-
<b>Closing Net Carrying Amount</b>	154.60	154.60
<b>Year ended March 31, 2023</b>		
<b>GROSS CARRYING AMOUNT</b>		

<b>PARTICULARS</b>	<b>Plant &amp; Machinery</b>	<b>Total</b>
Opening gross carrying amount	105.64	105.64
Additions	0.95	0.95
Disposals/Capitalised	-	-
<b>Closing Net Carrying Amount</b>	106.59	106.59
<b>Year ended March 31, 2022</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening gross carrying amount	122.13	122.13
Additions	105.64	105.64
Disposals/Capitalised	(122.13)	(122.13)
<b>Closing Net Carrying Amount</b>	105.64	105.64
<b>Year ended March 31, 2021</b>		
<b>GROSS CARRYING AMOUNT</b>		
Opening gross carrying amount	-	-
Additions	122.13	122.13
Disposals/Capitalised	-	-
<b>Closing Net Carrying Amount</b>	122.13	122.13

**CWIP aging schedule**

**CWIP**

**Period ended August 31, 2023**

<b>CWIP</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	48.01	0.95	105.64	-	154.60
Projects temporarily suspended	-	-	-	-	

**Year ended March 31, 2023**

<b>CWIP</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	0.95	105.64	-	-	106.59
Projects temporarily suspended	-	-	-	-	

**Year ended March 31, 2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	105.64	-	-	-	105.64
Projects temporarily suspended	-	-	-	-	

**Year ended March 31, 2021**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	122.13	-	-	-	122.13
Projects temporarily suspended	-	-	-	-	

## ANNEXURE 16

## STATEMENT OF NON-CURRENT INVESTMENTS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar - 22	31-Mar-21
<b>Non-Trade Investment(Valued at cost unless stated otherwise)</b>				
Investments in capital partnership firms unquoted non-trade (Lower of cost and Market value)*	0.10	0.10	0.95	0.51
<b>Total</b>	<b>0.10</b>	<b>0.10</b>	<b>0.95</b>	<b>0.51</b>

\* Investments in capital partnership firms unquoted non-trade

## Investments in capital partnership firms unquoted non-trade

Name of Partners	Share in profits (in %)			
	31-Aug-23	31-Mar-23	31-Mar - 22	31-Mar-21
Italian Edibles Private Limited	10%	10%	95.00%	51.00%
Total Capital in Firm	10,000.00	10,000.00	95,000.00	51,000.00
Date to which capital of partnership firm relates	31-08-2023	31-03-2023	31-03-2022	03-05-2018

## ANNEXURE 17

## STATEMENT OF LONG-TERM LOANS &amp; ADVANCES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar- 22	31-Mar-21
<b>Unsecured, Considered good</b>				
Security deposits	2.43	2.09	12.01	14.93
Rent security deposits	12.13	12.13	12.13	12.13
Deposit with Government Authorities	2.37	2.37	2.37	2.37
<b>Total</b>	<b>16.93</b>	<b>16.58</b>	<b>26.51</b>	<b>29.43</b>

## ANNEXURE 18

## STATEMENT OF NON-CURRENT ASSETS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Others	-	24.46	73.37	-
<b>Total</b>	<b>-</b>	<b>24.46</b>	<b>73.37</b>	<b>-</b>

## ANNEXURE 19

## STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
On account of difference in WDV in Companies Act and Income Tax Act	46.19	46.19	10.95	10.95
	<b>46.19</b>	<b>46.19</b>	<b>10.95</b>	<b>10.95</b>

## ANNEXURE 20

## STATEMENT OF INVENTORIES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar- 22	31-Mar-21
Raw Materials	1,016.48	1,091.45	686.79	648.89
Packing Material	1,590.35	1,089.49	1,193.81	920.96
Finished Goods	257.31	257.05	158.66	128.02
Stock-in-Trade	2.70	35.71	9.33	35.72
(Valued at Cost or Market value, whichever is lower)				
<b>Total</b>	<b>2,866.84</b>	<b>2,473.70</b>	<b>2,048.58</b>	<b>1,733.58</b>

## ANNEXURE 21

## STATEMENT OF TRADE RECEIVABLES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar- 22	31-Mar-21
<b>Unsecured</b>				
-Considered good	919.83	723.44	777.46	759.29
Less :				
Provision for doubtful debts	-	-	-	-
<b>Total</b>	<b>919.83</b>	<b>723.44</b>	<b>777.46</b>	<b>759.29</b>
<b>Further classified as:</b>				
Receivable from related parties				-
Receivable from others	919.83	723.44	777.46	759.29
<b>Total</b>	<b>919.83</b>	<b>723.44</b>	<b>777.46</b>	<b>759.29</b>

The trade receivables ageing schedule for the period August 31, 2023 is as follows

Particulars	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	611.27	50.84	81.76	93.32	-	<b>837.19</b>
(ii) Undisputed trade receivables – considered doubtful	0.14	-	-	70.23	-	<b>70.37</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	12.27	-	<b>12.27</b>

The trade receivables ageing schedule for the period March 31, 2023 is as follows

Particulars	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	441.99	71.99	121.02	0.13	(3.94)	<b>631.19</b>
(ii) Undisputed trade receivables – considered doubtful	1.35	1.55	7.26	0.46	69.36	<b>79.97</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	12.28	<b>12.28</b>

The trade receivables ageing schedule for the period March 31, 2022 is as follows

Particulars	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	455.03	168.14	89.82	10.17	-	<b>723.17</b>
(ii) Undisputed trade receivables – considered doubtful	-	0.46	7.58	5.96	9.86	<b>23.85</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	12.28	-	<b>12.28</b>

The trade receivables ageing schedule for the period March 31, 2021 is as follows

Particulars	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	455.03	168.14	89.82	10.17	-	<b>723.17</b>
(ii) Undisputed trade receivables – considered doubtful	-	0.46	7.58	5.96	9.86	<b>23.85</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	12.28	-	<b>12.28</b>

## ANNEXURE 22

### STATEMENT OF CASH & CASH EQUIVALENTS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Cash on hand (As Certified by Management)	20.96	17.76	27.99	15.34
Balances with banks				
- In Current Accounts	2.73	4.68	2.56	589.38
- In Deposit Account			-	-
<b>Total</b>	<b>23.68</b>	<b>22.44</b>	<b>30.56</b>	<b>604.71</b>

## ANNEXURE 23

## STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Security deposit	15.01	17.93	11.59	0.08
Advances given:-				
- To related parties	214.63	209.98	235.81	0.84
- To suppliers	10.62	-	2.37	-
- To others	74.70	96.97	15.04	11.01
<b>Total</b>	<b>314.97</b>	<b>324.88</b>	<b>264.81</b>	<b>11.93</b>

## ANNEXURE 24

## STATEMENT OF OTHER CURRENT ASSETS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Prepaid expenses	4.50	4.50	2.59	3.06
Deposit with revenue authorities	82.05	54.61	60.87	111.92
Other current assets	-	-	-	9.08
<b>Total</b>	<b>86.55</b>	<b>59.11</b>	<b>63.46</b>	<b>124.05</b>

## ANNEXURE 25

## STATEMENT OF REVENUE FROM OPERATIONS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Domestic	2,584.22	4,279.27	5,895.99	3,377.79
Registered Receipt for Export	142.35	337.56	363.39	230.48
Trading sales	216.78	1,011.49	1,065.56	1,261.19
Others	96.33	671.49	181.78	-
Other Operating Revenue				
- Export incentive (Duty drawback)	-	-	-	3.11
- Sales of wastage	11.07	19.01	33.83	17.79
- Other	0.95	2.38	0.61	-
<b>Total</b>	<b>3,051.70</b>	<b>6,321.20</b>	<b>7,541.15</b>	<b>4,890.36</b>

## ANNEXURE 26

## STATEMENT OF OTHER INCOME

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
<b>Interest Income</b>				
FDR	-	-	1.52	2.69
MPPKVVCL	0.46	0.58	0.47	-

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar -22	31-Mar-21
<b>Other non-operating income</b>				
Profit on sale of Property, plant and equipment	-	0.13	-	6.37
Insurance claim received	-	1.18	-	-
Foreign exchange difference income	-	-	2.11	-
Discount Received	-	0.04	-	0.01
Ocean Freight Charge On Export Sales	-	1.56	-	-
Product Development Contact Charges	-	5.36	-	-
Booking Fees Refund - Mpidc	-	0.05	-	-

## ANNEXURE 27

### COST OF RAW MATERIAL CONSUMED

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar - 22	31-Mar-21
<b>Opening Stock</b>				
Raw Material	1,091.45	686.79	648.89	409.64
Packing Material	1,089.49	1,193.81	920.96	934.48
	<b>2,180.94</b>	<b>1,880.60</b>	<b>1,569.85</b>	<b>1,344.12</b>
<b>Add : Purchases</b>				
Raw Material	1,547.14	3,062.34	3,395.82	2,842.82
Packing Material	755.71	1,126.71	1,862.40	-
	<b>2,302.85</b>	<b>4,189.04</b>	<b>5,258.22</b>	<b>2,842.82</b>
<b>Closing Stock</b>				
Raw Material	1,016.48	1,091.45	686.79	648.89
Packing Material	1,590.35	1,089.49	1,193.81	920.96
<b>Total</b>	<b>1,876.96</b>	<b>3,888.70</b>	<b>4,947.47</b>	<b>2,617.09</b>

## ANNEXURE 28

### PURCHASES OF STOCK IN TRADE

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31- Mar- 22	31-Mar-21
Trading Purchase	316.61	1,002.08	1,018.55	1,234.30
<b>Total</b>	<b>316.61</b>	<b>1,002.08</b>	<b>1,018.55</b>	<b>1,234.30</b>

## ANNEXURE 29

### CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar 22	31-Mar-21
<b><u>Inventories at the end of the year</u></b>				
Finished Goods	257.31	257.05	158.66	128.02
Trading	2.70	35.71	9.33	35.72
<b><u>Inventories at the beginning of the year</u></b>				

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Finished Goods	257.05	158.66	128.02	123.04
Trading	35.71	9.33	35.72	36.71
<b>Net(Increase)/decrease</b>	<b>32.75</b>	<b>(124.77)</b>	<b>(4.25)</b>	<b>(3.99)</b>

### ANNEXURE 30

#### EMPLOYEE BENEFITS EXPENSES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
a) Salaries	200.07	366.70	460.76	274.87
b) Director's remuneration	24.00	108.00	108.00	108.00
c) Other employee benefit expenses	8.15	32.08	56.98	25.43
d) Contribution to various funds	7.54	14.95	14.09	8.58
<b>Total</b>	<b>239.76</b>	<b>521.72</b>	<b>639.83</b>	<b>416.88</b>

### ANNEXURE 31

#### FINANCE COST

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Interest paid;				
- To banks	68.18	174.49	153.23	147.78
- To related parties	-	6.61	12.69	8.47
Other finance charges	0.02	3.74	3.09	2.04
<b>Total</b>	<b>68.21</b>	<b>184.84</b>	<b>169.01</b>	<b>158.29</b>

### ANNEXURE 32

#### DEPRECIATION AND AMORTIZATION

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Depreciation	48.42	173.07	129.31	93.70
Amortization	1.41	4.61	5.23	4.16
<b>Total</b>	<b>49.83</b>	<b>177.68</b>	<b>134.54</b>	<b>97.86</b>

### ANNEXURE 33

#### OTHER EXPENSES

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Batch Coding & Printing Expenses	1.34	4.94	4.36	3.46
Commission	0.61	2.96	-	24.58
Consultancy	9.29	4.10	10.59	8.39
Custom Duty	-	4.02	3.07	0.01
Discount	4.15	13.82	7.10	0.19

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31- Mar- 22	31-Mar-21
Electricity Repair & Maintainance	3.32	3.74	5.23	4.62
Factory Expense			40.93	10.55
Factory Repair & Maintainance	11.20	16.18	-	2.20
Freight & Cartage Inward	4.37	3.60	12.36	3.68
Freight & Container Charges (Outward)	9.48	23.53	21.74	13.87
GST Survey			53.65	-
Insurance	1.23	7.53	8.93	5.93
Interest on Income Tax / TDS	0.06	4.98	4.13	5.53
Ineligible -GST	-	7.58	1.15	5.50
Legal & Professional Exp.	5.57	1.54	-	0.53
Legal fees	12.93	4.00	1.60	-
Loan Processing exp	2.23	2.82	6.05	4.98
Loss on sale of property, plant and equipment			19.49	-
Machinery Repair & Maintenance	24.26	32.54	40.32	12.32
Other Expenses	7.72	28.15	34.45	24.56
Power/Electrical Expenses/GAS	52.91	93.69	143.29	65.53
Rent (Factory/Godown)	30.90	74.46	67.83	59.03
Stamp Duty Exp	1.65	1.98	8.00	6.88
Vehicle Running & Maintenance	3.08	6.56	8.09	4.16
<b>TOTAL</b>	<b>186.31</b>	<b>342.71</b>	<b>502.33</b>	<b>266.50</b>

#### ANNEXURE 33.1

##### PAYMENT TO AUDITORS AS:

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31- Mar- 22	31-Mar-21
Payment to auditors				
- Audit fees	-	0.70	0.65	0.55
- Tax Audit fees	-	0.40	0.35	0.35
<b>Total</b>	<b>-</b>	<b>1.10</b>	<b>1.00</b>	<b>0.90</b>

#### ANNEXURE 34

##### STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amount in Lakhs Rs., except per share data)

Particulars	As at / for the period/year ended			
	31-Aug-23	31-Mar-23	31- Mar- 22	31- Mar- 22
Net Worth (A)	1,287.92	1,078.24	814.03	583.82
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	399.31	690.76	437.22	359.59
Restated profit after tax (B)	209.68	264.21	80.21	86.52
Number of equity share outstanding as on the end of year/period - Refer Note 1	1,08,57,151	17,14,287	17,14,287	15,00,000
Weighted average number of equity shares outstanding during the year/period (D) - Refer Note 1	1,08,57,151	1,08,57,151	1,06,46,974	1,06,42,864
Current assets (E)	4,211.86	3,603.57	3,184.87	3,233.57
Current liabilities (F)	3,129.02	2,754.06	2,477.88	2,489.46

Particulars	As at / for the period/year ended			
	31-Aug-23	31-Mar-23	31- Mar- 22	31- Mar- 22
Restated Basic and Diluted Earning Per Share (INR) (B/D)	1.93	2.43	0.75	0.81
Return on net worth (%) (B/A)*	16.28%	24.50%	9.85%	14.82%
Net asset value per share - (A/C) (Face value of Rs. 10 each)	11.86	62.90	47.49	38.92
Current ratio (E/F)	1.35	1.31	1.29	1.30
Net Worth (A)	1,287.92	1,078.24	814.03	583.82

\*Not annualised for the five month period ended March 31, 2023

Note:

- The ratios have been computed as below:
  - Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
  - Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
  - Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
  - Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
- Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, and surplus in statement of profit and loss).
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- The company did right issue on 25-03-2022 where issue of 2,14,287 equity shares of INR 10 amounting to Rs. 21,42,870 and issue of bonus shares on 3-08-2023 where issue of 91,42,864 bonus shares at INR 10 amounting to Rs. 9,14,28,640.

## ANNEXURE 35

### STATEMENT OF RELATED PARTY TRANSACTION

#### 1. Names of the related parties with whom transaction were carried out during the years and description of relationship:

a)	Key Management Personnel	Akshay Makhija Ajay Makhija
b)	Relative of Key Management Personnel's	Meenaxi Makhija Anjali Makhija Nishma Vaswani Nutrabella Foods LLP Naveen Makhija
c)	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Nutrabella Foods LLP

#### 2. Transaction with Key Management Personnel/Directors

(Amount in Lakhs, Unless Otherwise Stated)

Sr. No.	Nature of Transaction	As at			
		31-Aug -23	31-Mar- 23	31- Mar- 22	31-Mar- 21
1	<b>Remuneration</b>				
	Akshay Makhija	12.00	54.00	54.00	54.00
	Ajay Makhija	12.00	54.00	54.00	54.00

Sr. No.	Nature of Transaction	As at			
		31-Aug -23	31-Mar- 23	31- Mar- 22	31-Mar- 21
	Anjali Makhija	4.00	9.60	5.40	5.40
	Meenaxi Makhija	2.00	4.80	4.70	4.20
	Nishma Vaswani	2.50	-	5.00	6.00
	Naveen Makhija	2.25	-	-	4.70
2	<b>Rent Charges</b>				
	Akshay Makhija	1.00	2.04	1.94	1.85
	Ajay Makhija	2.00	4.38	4.17	3.97
	Meenaxi Makhija	1.00	2.04	1.94	1.85
3	<b>Unsecured Loan Taken</b>				
	Akshay Makhija	112.00	69.15	140.60	47.30
	Ajay Makhija	-	20.00	20.00	38.00
4	<b>Unsecured Loan Repaid</b>				
	Akshay Makhija	33.10	142.82	121.00	8.50
	Ajay Makhija	23.80	-	63.50	-
5	<b>Advance Paid</b>				
	Nutrabella Foods LLP	-	-	237.00	-
6	<b>Received Back</b>				
	Nutrabella Foods LLP	-	62.45	-	-
7	<b>Interest on Unsecured Loan</b>				
	Akshay Makhija	-	5.67	8.86	6.54
	Ajay Makhija	-	0.94	3.83	1.94
8	<b>Sales</b>				
	Nutrabella Foods LLP	-	-	-	221.43
9	<b>Purchases</b>				
	Nutrabella Foods LLP	343.42	887.23	1,073.18	1,096.69

### 3. Balances Outstanding at the end of the Year

(Amount in Lakhs, Unless Otherwise Stated)

Sr. No.	Particulars	As at			
		31-Aug -23	31-Mar- 23	31- Mar- 22	31-Mar- 21
1	<b>Unsecured Loan</b>				
	Akshay Makhija	133.23	54.32	122.90	95.33
	Ajay Makhija	10.32	34.12	13.28	53.33
2	<b>Rent Payable</b>				
	Akshay Makhija	-	-	-	0.01
	Ajay Makhija				
	Meenaxi Makhija				

Sr. No.	Particulars	As at			
		31-Aug -23	31-Mar- 23	31- Mar- 22	31-Mar- 21
3	<b>Salary Payable</b>				
	Akshay Makhija	-	-	-	0.72
	Ajay Makhija	-	15.09	-	2.39
	Meenaxi Makhija	-	0.35	-	0.35
	Anjali Makhija	-	0.43	-	(0.38)
	Nishma Vaswani	-	-	-	0.38
	Naveen Makhija	-	-	-	0.45
4	<b>Trade Payable</b>				
	Nutrabella Foods LLP				-
5	<b>Trade Receivable</b>				
	Nutrabella Foods LLP	-	3.43	41.72	50.04
6	<b>Receivable for Machinery</b>				
	Nutrabella Foods LLP	-	-	-	6.71
7	<b>Advance</b>				
	Nutrabella Foods LLP	214.55	214.55	237.00	-

### ANNEXURE 36

#### STATEMENT OF TAX SHELTER

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	As at			
	31-Aug-23	31-Mar-23	31-Mar- 22	31-Mar-21
<b>A</b> Profit before taxes as restated	<b>281.73</b>	<b>337.13</b>	<b>137.77</b>	<b>112.50</b>
- Taxable at normal Rate	<b>281.73</b>	<b>337.13</b>	<b>137.77</b>	<b>112.50</b>
- Taxable at special Rate		-	-	-
<b>B</b> Normal Tax Rate Applicable %	21.02%	25.17%	25.17%	25.17%
Special Tax Rate Applicable %				
<b>C</b> Tax Impact (A*B)	59.23	84.85	34.68	28.31
<b>D Adjustments:</b>				
Difference in depreciation	-	80.97	50.02	26.63
Disallowance u/s 37	-	0.11	-	0.10
GST Penalty	-	-	32.53	-
Demand / Interest on income tax	-	5.17	-	5.16
Interest on TDS	-	0.22	-	0.37
Disallowance u/s 36	-	-	-	1.42
Profit on sale of property, plant and equipment	-	-	-	(6.37)
ICDS	-	-	(5.72)	-
<b>Total</b>	<b>-</b>	<b>86.48</b>	<b>76.83</b>	<b>27.31</b>
<b>E Unabsorbed Loss/(Carried Forward Loss Set off)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F Net Adjustment (F) = (D+E)</b>	<b>-</b>	<b>86.48</b>	<b>76.83</b>	<b>27.31</b>
<b>G Tax Expenses/ (Saving) thereon</b>	<b>59.23</b>	<b>21.76</b>	<b>19.34</b>	<b>6.87</b>

Particulars		As at			
		31-Aug-23	31-Mar-23	31-Mar- 22	31-Mar-21
<b>H</b>	<b>Deferred Tax</b>	-	(35.25)	-	(10.95)
<b>I</b>	<b>Total tax expenses (C+G+H)</b>	<b>118.45</b>	<b>71.37</b>	<b>54.01</b>	<b>24.24</b>

**Notes:**

1. The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return respective years stated above.
2. The figures for the period ended August 31, 2023 are based on the provisional computation of Total Income prepared by the Company.
3. The effect of Tax Shelter i.e. short/excess provision for Income Tax has not been given effect in Annexure II - Restated Statement of Profit and Loss account. Provision for Income Tax given in Annexure II is based on the Income Tax Return/Audited Financial Statement only.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE 37**

**STATEMENT OF CAPITALISATION**

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	Pre-Issue	Post Issue
	31-Aug-23	
<b>Debt</b>		
Short Term Debt	1,528.18	1,300.00
Long Term Debt	367.29	280.04
<b>Total Debt</b>	<b>1,895.47</b>	<b>1,580.04</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	1,085.72	1,477.72
Reserves & Surplus	202.21	2,475.81
Less: Miscellaneous Expenses not w/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>1,287.92</b>	<b>3,953.53</b>
<b>Long Term Debt/Equity</b>	<b>0.29</b>	<b>0.07</b>
<b>Total Debt/Equity</b>	<b>1.47</b>	<b>0.40</b>

**Notes:**

1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months
2. Long term debts represent debts other than Short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at August 31, 2023.

## ANNEXURE 38

### CONTINGENT LIABILITIES & COMMITMENTS

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Estimated Amount of contracts remaining to be executed on capital account	-	-	-	-
Income Tax Demand	80.89	80.89	80.89	80.89
TDS Demand	3.31	3.31	3.30	3.27
Guarantees provided by bank	-	-	-	-
Contingencies:	-	-	-	-

## ANNEXURE 39

### SEGMENT REPORTING

#### 1. Business Segment

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment. The company recognized as the most innovative and flexible manufacturer of chocolate products in India. It also supplies Biscuit (wafer), dairy, ice- cream, confectionery products to many business houses in India.

#### 2. Geographical Segment

The Company activities / operations are confined in India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

## ANNEXURE 41

### TRANSACTIONS IN FOREIGN CURRENCY

(Amount in USD)

Particulars	AS AT			
	31-Aug-23	31-Mar-23	31-Mar-22	31-Mar-21
Expenditure in Foreign Currency	-	920.00	-	-
Earning in Foreign Exchange	-	69,082.00	-	-

## ANNEXURE 42

### COVID 19 NOTE

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended August 31, 2023 and has concluded that no there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

## ANNEXURE 43

### EMPLOYEE BENEFITS

#### I. Defined contribution plans

**The Company has classified the various benefits provided to employees as under:**

a) Employers Contribution to Employee Provident Fund

The expense recognised during the period towards defined contribution plan –

**(Amount in Lakhs, Unless Otherwise Stated)**

Particulars	For the period ended 31-Aug-23	For the year ended		
		31-Mar-23	31-Mar-22	31-Mar-21
Employers Contribution to Employee Provident Fund	7.54	14.95	14.09	8.58

**II. Defined benefit plans**

**Gratuity**

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-. Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

**(Amount in Lakhs, Unless Otherwise Stated)**

	Defined benefit plans	For the period ended 31-Aug-23	For the year ended		
			31-Mar-23	31-Mar-22	31-Mar-21
		Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
<b>I</b>	<b>Present value of Defined Benefit Obligation</b>				
	Present value of benefit obligation at the beginning of the period	43.03	36.86	22.64	15.70
	Interest cost	1.29	1.90	0.96	0.82
	Current service cost	3.60	8.80	5.99	4.28
	Actuarial (Gains)/Losses on Obligations	(0.33)	(4.54)	7.27	1.85
	Present value of benefit obligation at the beginning of the period	47.58	43.03	36.86	22.64
<b>II</b>	<b>Expenses recognised in statement of profit and loss during the year:</b>				
	Actuarial (Gains)/Losses on Obligation For the Period	(0.33)	(4.54)	7.27	1.85
	Actuarial (Gains)/Losses on Plan Asset For the Period				
	Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	(0.33)	(4.54)	7.27	1.85
<b>III</b>	<b>Amount Recognized in the Balance Sheet</b>				
	(Present Value of Benefit Obligation at the end of the Period)	(47.58)	(43.03)	(36.86)	(22.64)

	Defined benefit plans	For the period ended 31-Aug-23	For the year ended		
			31-Mar-23	31-Mar-22	31-Mar-21
		Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
	Fair Value of Plan Assets at the end of the Period	-	-	-	-
	Funded Status (Surplus/ (Deficit))	(47.58)	(43.03)	(36.86)	(22.64)
	Unrecognized Past Service Cost at the end of the Period	-	-	-	-
	Net (Liability)/Asset Recognized in the Balance Sheet	(47.58)	(43.03)	(36.86)	(22.64)
<b>IV</b>	<b>Net Interest Cost for Current Period</b>				
	Present Value of Benefit Obligation at the Beginning	43.03	36.86	22.64	15.70
	(Fair Value of Plan Assets at the Beginning)	-	-	-	-
	Net Liability/(Asset) at the Beginning	43.03	36.86	22.64	15.70
	Interest Cost	1.29	1.90	0.96	0.82
	(Expected Return on Plan Assets)	-	-	-	-
	Net Interest Cost for Current Period	1.29	1.90	0.96	0.82
<b>V</b>	<b>Expenses Recognized in the Statement of Profit or Loss for Current Period</b>				
	Current Service Cost	3.60	8.80	5.99	4.28
	Net Interest Cost	1.29	1.90	0.96	0.82
	Actuarial (Gains)/Losses	(0.33)	(4.54)	7.27	1.85
	Past Service Cost - Non-Vested Benefit Recognized	-	-	-	-
	Past Service Cost - Vested Benefit Recognized	-	-	-	-
	<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>4.56</b>	<b>6.16</b>	<b>14.22</b>	<b>6.94</b>
<b>VI</b>	<b>Balance Sheet Reconciliation</b>				
	Opening Net Liability	43.03	36.86	22.64	15.70
	Expense Recognized in Statement of Profit or Loss	4.56	6.16	14.22	6.94
	Net Liability/(Asset) Transfer In	-	-	-	-
	Net (Liability)/Asset Transfer Out	-	-	-	-
	(Benefit Paid Directly by the Employer)	-	-	-	-
	(Employer's Contribution)	-	-	-	-
	<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>47.58</b>	<b>43.03</b>	<b>36.86</b>	<b>22.64</b>
<b>VI I</b>	<b>Current and Non-Current Liability</b>				

	Defined benefit plans	For the period ended 31-Aug-23	For the year ended		
			31-Mar-23	31-Mar-22	31-Mar-21
		Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
	Current Liability	7.18	5.85	4.61	2.16
	Non-Current Liability	40.40	37.18	32.26	20.49
<b>VI</b>	<b>Actuarial assumptions:</b>				
		For the period ended 31-Aug-23	For the year ended		
			31-Mar-23	31-Mar-22	31-Mar-21
	Expected return on plan assets	NA	NA	NA	NA
	Discount rate	5.15%	4.25%	7.26%	7.20%
	Expected rate of salary increase	10.00%	10.00%	10.00%	10.00%
	Withdrawal rates	For Service 2 years and below : 50.00% p.a., For Service 3 Years - 4 Years : 30.00% p.a. and For Service 5 years and above : 20.00% p.a.	For Service 2 years and below : 50.00% p.a., For Service 3 Years - 4 Years : 30.00% p.a. and For Service 5 years and above : 20.00% p.a.	For Service 2 years and below : 50.00% p.a., For Service 3 Years - 4 Years : 30.00% p.a. and For Service 5 years and above : 20.00% p.a.	For Service 2 years and below : 50.00% p.a., For Service 3 Years - 4 Years : 30.00% p.a. and For Service 5 years and above : 20.00% p.a.
	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate			
	Retirement age	60	60	60	60

**Notes:**

- Actuarial Gains/ Losses are accounted for in the period of occurrence in the Statement of Profit or Loss
- Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- Average Expected Future Service represents Estimated Term of Benefit Obligation.
- During the year, there were no plan amendments, curtailments and settlements.

**ANNEXURE 44**

**RATIOS**

Particulars	Numerator	Denominator	August 31, 2023	March 31, 2023	% change from March 31, 2023 to August 31, 2023	Reason for Major Deviation
a) Current Ratio	Current assets	Current liabilities	1.35	1.31	Figures are not annualised therefore we are unable to determine the reasons for such deviations.	
(b) Debt-Equity Ratio	Total debt	Shareholder's equity	1.47	1.60		

Particulars	Numerator	Denominator	August 31, 2023	March 31, 2023	% change from March 31, 2023 to August 31, 2023	Reason for Major Deviation
(c) Debt Service Coverage Ratio	EBIDTA	Interest + Repayment of borrowings	1.52	1.61		
(d) Return on Equity Ratio	Profit after tax	Average Shareholder's equity	0.18	0.28		
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	0.83	2.11		
(f) Trade Receivables turnover ratio	Net credit sales	Average trade receivables	3.71	8.42		
(g) Trade payables turnover ratio	Net credit purchases	Average trade payable	0.38	1.50		
(h) Net capital turnover ratio	Net sales	Average working capital	3.16	8.12		
(i) Net profit ratio	Profit after tax	Net sales	0.07	0.04		
(j) Return on Capital employed	EBIT	Capital Employed -= Tangible Net Worth + Total Debt + Deferred Tax Liability	0.11	0.18		

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023	Reason for Major Deviation
a) Current Ratio	Current assets	Current liabilities	1.31	1.29	1.80%	NA
(b) Debt-Equity Ratio	Total debt	Shareholder's equity	1.60	2.23	-28.03%	Due to decrease in debt there is deviation
(c) Debt Service Coverage Ratio	EBIDTA	Interest + Repayment of borrowings	1.61	0.40	305.16%	Due to increase in interest and repayments there is deviation
(d) Return on Equity Ratio	Profit after tax	Average Shareholder's equity	0.28	0.11	143.35%	Due to increase in profit and networth, there is deviation
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	2.11	3.15	-33.14%	Due to increase in inventory there is deviation

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023	Reason for Major Deviation
(f) Trade Receivables turnover ratio	Net credit sales	Average trade receivables	8.42	9.81	-14.17%	Due to decrease in trade receivables there is deviation
(g) Trade payables turnover ratio	Net credit purchases	Average trade payable	1.50	1.95	-23.24%	NA
(h) Net capital turnover ratio	Net sales	Average working capital	8.12	10.39	-21.85%	NA
(i) Net profit ratio	Profit after tax	Net sales	0.04	0.01	292.99%	Due to increase in profit but decrease in sales there is deviation
(j) Return on Capital employed	EBIT	Capital Employed -= Tangible Net Worth + Total Debt + Deferred Tax Liability	0.18	0.12	59.11%	Due to increase in capital employed there is deviation

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change from March 31, 2021 to March 31, 2022	Reason for Major Deviation
a) Current Ratio	Current assets	Current liabilities	1.29	1.30	-1.05%	NA
(b) Debt-Equity Ratio	Total debt	Shareholder's equity	2.23	4.27	-47.78%	Due to decrease in debt there is deviation
(c) Debt Service Coverage Ratio	EBIDTA	Interest + Repayment of borrowings	0.40	0.60	-33.44%	Due to increase in interest and repayments there is deviation
(d) Return on Equity Ratio	Profit after tax	Average Shareholder's equity	0.11	0.16	-27.26%	NA
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	3.15	2.38	32.64%	Due to increase in inventory there is deviation
(f) Trade Receivables turnover ratio	Net credit sales	Average trade receivables	9.81	6.80	44.28%	Due to increase in trade receivables there is deviation
(g) Trade payables turnover ratio	Net credit purchases	Average trade payable	1.95	1.45	34.27%	Due to increase in trade payables there is deviation
(h) Net capital	Net sales	Average working capital	10.39	10.30	0.88%	NA

<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>% change from March 31, 2021 to March 31, 2022</b>	<b>Reason for Major Deviation</b>
turnover ratio						
(i) Net profit ratio	Profit after tax	Net sales	0.01	0.02	-39.88%	Due to increase in profit and sales there is deviation
(j) Return on Capital employed	EBIT	Capital Employed -= Tangible Net Worth + Total Debt + Deferred Tax Liability	0.12	0.09	31.84%	Due to increase in capital employed there is deviation

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "Risk Factors" on page 20 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated September 21, 2023 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### Overview of the Company

Our Company was originally incorporated as Italian Edibles Private Limited on December 16, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently the name of the company was changed from "Italian Edibles Private Limited" to "Italian Edibles Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 06, 2023 and had obtained fresh certificate of incorporation September 21, 2023 issued by the Registrar of Companies, Gwalior. The CIN of the Company is U15141MP2009PLC022797.

Confectionery in a broader sense implies the preservation of sweet delicacy preparation in the form of candies, caramels, chocolate, processed cocoa and milk and traditional Indian confections. Keeping in mind the company's mantra "Sharing is Everything" and "Delightful Creation and Boundless Joy", our company has been manufacturing delicious mouthwatering confectionery products for the last 14 years.

Our confectionery products are sold under the brand name of "". We offer a wide range of confectionery's such as Rabdi [Meethai Sweet], Milk Paste,  Chocolate Paste, Lollipops, Candies, Jelly Candies, Multi-Grain Puff Rolls, Fruit Based Products to our customers. India being a country with different cultures, many festivals and occasions, celebration with confectioneries plays a major role in those special occasions, festivals etc.

Our confectionery products are sold PAN India, majorly in rural and semi-urban areas of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerela, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal and through local wholesalers and distributors located in these areas. Our consumer segments largely include teenagers, young adults and children's located in rural and semi-urban areas of India. Apart from selling our confectionery products within India, we also export to various countries such as Nigeria, Yemen, Sinegal and Sudan. As on August 31, 2023 our top customers include Chocolate World, Yuvraj Agency, Bakewell Biscuits Private Limited, R. K. Prabhavati Tarders, Mamta Stores, Ma Laxmi Traders, Suria Distributor etc. Also, one of our product, i.e., Jelly Candies are sold to Dharpal Premchand Ltd (BABA) group.

Over the years, we have developed a large pan-India distribution network. As of August 31, 2023, we had approximately 450 Suppliers and distributors located across 22 states in India and have we have exported our products through network of 5 merchant exporters. Our distribution network within India and outside India and well-established brand has enabled us to effectively manage marketing strategy, market penetration and thereby increase our turnover over the years.

We have two operational manufacturing unit that is operated by us and is located in Gram Palda, Indore and Prabhu Toll Kanta, Indore (Madhya Pradesh). Being strategically located in the industrial area, procurement and transportation of raw materials is easy, quick and cost effective. Our manufacturing unit are FSAAI, ISO 22000:2018 and FIEO certificated. Our in house manufacturing unit is well equipped with mixture of modern, fully-automated and semi-automated plant & machinery which enables us to manufacture our confectionery products in an effectively control

manner and also ensure consistent quality while manufacturing the confectionery products. In addition, we manufacture range of products under the private labeling arrangement with our customers and is exclusively sold by third party. However, we do not have any collaboration with these companies. We sell our confectionery products in retail and wholesale packs. Lollipops, Candies, milk sweetmeat products are available in Pet Jars, polypacks and cardboard boxes.

Being in the confectionery market for 14 years has strengthen our confectionery product brands across India and Aboard and it has also enabled us to understand our target markets, consumer taste and preferences, product innovation capabilities, our ability to develop an effective business model with stringent quality control over processes, our distribution network and our marketing and promotional activities which has further led to establish our brand name further across India and Aboard.

For more information on our Company's business, please refer to chapter titled "**Business Overview**" on page no. 91 of this Prospectus.

#### **COVID 19 Pandemic:**

Pursuant to outbreak of coronavirus disease (COVID-19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020, followed by several restrictions imposed by the Governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which had some impact on the Company's supply chain during March, 2020. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The management has exercised due care, in concluding on significant accounting judgments and estimates, inter-alia, recoverability of receivables, inventory, based on the information available to date, both internal and external, while preparing the Company's financial results as of and for the year ended 31st March, 2020.

#### **Significant Developments Subsequent to the Last Financial Year**

After the date of last audited accounts i.e., March 31, 2023, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period

- 1) The Board of Directors via its Board resolution passed on September 25, 2023 authorized the funds to be raised by making an Initial Public Offering.
- 2) The Shareholders via its Resolution passed at the EGM held on September 25, 2023 authorized the funds to be raised by making an Initial Public Offering.
- 3) The financial statement-Audit Report for March 31, 2023 was approved by Board resolution dated July 24, 2023.
- 4) The financial statement-Audit Report for August 31, 2023 was approved by Board resolution dated September 12, 2023.
- 5) The Board of Directors via its Board resolution passed on July 24, 2023 and the Shareholders via its Resolution passed at the AGM held on August 02, 2023 has Issued Bonus Shares to the existing shareholders in the proportion of 16 new equity shares for every 3 equity shares held by the existing shareholders on the record date i.e. 02/08/2023. For details, please refer to point no. 24 in the chapter titled "Capital Structure" beginning on page no. 60 of this Prospectus.
- 6) Mr. Ajay Makhija was designated as Managing Director, Mr. Akshay Makhija was designated as Chief Executive Office, and Mr. Shankar Arya was appointed as Non-Executive Director and Ms. Devyani Chhajed and Ms. Anjali Jain were appointed as Non-Executive Independent Directors by passing of Shareholders Resolution dated August 14, 2023.
- 7) The Company has formed Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board resolution dated September 21, 2023.

- 8) Mr. Shankar Arya resignation as Non-Executive Director was approved by Board vide its Resolution dated December 18, 2023.
- 9) Mrs. Sneha Chinmay Khandelwal appointment as Non-Executive Directors was approved by Board vide its Resolution dated January 01, 2024.
- 10) The Company has re-formed Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board resolution dated January 01, 2024.

#### **Significant Developments subsequent to March 31, 2023**

Except as set out above, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

The business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page no. 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and demographic conditions;
- Fluctuations in foreign and Indian currency;
- Significant developments in FMCG sector;
- Our ability to obtain the necessary licenses in timely manner;
- Our ability to attract and retain our Manpower;
- Our ability to expand its existing distribution network;
- Changes in laws or regulations in FMCG sector;
- Changes in Segment Contribution to Revenue.

#### **Our Significant Accounting Policies:**

For Significant accounting policies please refer Significant Accounting Policies, “Annexure 4” beginning under “Auditors’ Report and Financial Information of our Company” on page no. 143 of this Prospectus.

#### **Discussion on Results of Operations:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended August 31, 2023 and for the financial years ended March 31, 2023, 2022 and 2021.

#### **Our Results of Operation**

##### **For Five months period ending on August 31, 2023**

<b>Particulars</b>		<b>For the year ended August 31, 2023</b>	<b>% of Total Income</b>
1	<b>Income</b>		
(a)	Revenue From Operations	3051.70	99.98
(b)	Other Income	0.46	0.02
2	<b>Total Income (1a+1b)</b>	<b>3052.16</b>	<b>100</b>
3	<b>Expenditure</b>		
(a)	Cost of raw material consumed	1,876.96	61.50
(b)	Purchases of Stock in Trade	316.61	10.37
(c)	Changes In Inventories Of Finished Goods, and Stock-In-Trade	32.75	1.07
(d)	Employee Benefit Expenses	239.76	7.86
(e)	Finance Cost	68.21	2.23
(f)	Depreciation & Amortization	49.83	1.63

(g)	Other Expenses	186.31	6.10
4	<b>Total Expenditure 3(a) to 3(g)</b>	<b>2,770.43</b>	<b>90.77</b>
	<b>Profit/(Loss) Before Exceptional and Extra Ordinary Item</b>	<b>281.73</b>	<b>9.23</b>
	Exceptional Items	-	-
5	<b>Profit/(Loss) Before Tax (2-4)</b>	<b>281.73</b>	9.23
6	<b>Tax Expense:</b>		
(a)	Tax Expense For Current Year	72.05	2.36
(b)	Deferred Tax	-	-
(c)	Tax Adjusted For Earlier Years	-	
(d)	MAT Credit Entitlement	-	
	Net Current Tax Expenses	<b>72.05</b>	2.36
7	<b>Profit/(Loss) for the Year (5-6)</b>	<b>209.68</b>	<b>6.87</b>

### **Main Components of our Profit and Loss Account**

**Income-** Our total income comprises of revenue from operations and other income.

**Revenue from Operations-** Our revenue from operation as a percentage of our total income was 99.98%, 99.86% and 99.95% for the period ending 31st August, 2023 and Financial Years ended March 31, 2023 and March 31, 2022 respectively.

**Expenditure-** Our total expenditure primarily consists of cost of raw material consumed, Purchases of Stock in Trade, Changes in inventories of finished goods and Stock in trade, employee benefit expenses, Depreciation, finance costs and Other Expenses.

**Employee Benefit Expenses-** Our employee benefits expense comprises of Salaries and wages, Director Remuneration, Contribution to Provident and ESI Funds, gratuity provision & Staff Welfare Expenses.

**Finance costs-** Our Finance cost expenses comprises of Interest Expenses & other borrowing costs.

**Other Expenses -**Other expenses primarily include Manufacturing Expenses & Administrative & Selling Expenses, etc.

**Provision for Tax-** The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### **PERIOD ENDED August 31, 2023**

#### **Income**

The total income of our company for the period ended August 31, 2023 was ₹ 3052.16 lacs. This was due to the company has obtained a high-quality uniplast candy forming machine which has significantly boost production capacity by an impressive 120 tons per month. This is the reason the company has achieved a sales of 48% of last year sales within 5 months only.

#### **Expenditure**

##### **Cost of Raw Material Consumed**

For the period ended August 31, 2023, our Company incurred ₹ 1876.96 lacs.

### Purchases of Stock in Trade

For the period ended August 31, 2023, our Company incurred ₹ 316.61 lacs.

### Employee Benefit Expenses

For the period ended August 31, 2023, our Company incurred for employee benefit expenses ₹ 239.76 lacs.

### Finance Costs

The finance costs for the period ended August 31, 2023 cost was ₹ 68.21 lacs.

### Depreciation

For the period ended August 31, 2023, depreciation cost incurred is ₹ 49.83 lacs.

### Other Expenses

For the period ended August 31, 2023, our other expenses increased by ₹ 186.31 lacs.

### Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the period ended August 31, 2023 of ₹ 281.73 lacs.

### Profit/ (Loss) after Tax

Profit after tax for the period ended August 31, 2023 of ₹ 209.68 lacs

### COMPARISON OF FINANCIAL YEARS ENDED MARCH 31, 2023, 2022 AND 2021

(Rs. In Lakh)

PARTICULARS	AS AT					
	31-Mar-23	% of Total Income	31-Mar-22	% of Total Income	31-Mar-21	% of Total Income
<b>1 Income</b>						
(a) Revenue From Operations	6,321.20	99.86	7,541.15	99.95	4,890.36	99.81
(b) Other Income	8.89	0.14	4.10	0.05	9.07	0.19
<b>2 Total Income (1a+1b)</b>	<b>6,330.09</b>	<b>100</b>	<b>7,545.25</b>	<b>100</b>	<b>4,899.44</b>	<b>100</b>
<b>3 Expenditure</b>						
(a) Cost of raw material consumed	3,888.70	61.43	4,947.47	65.57	2,617.09	53.42
(b) Purchases of Stock in Trade	1,002.08	15.83	1,018.55	13.50	1,234.30	25.19
(c) Changes In Inventories Of Finished Goods, and Stock-In-Trade	(124.77)	(1.97)	(4.25)	(0.06)	(3.99)	(0.08)
(d) Employee Benefit Expenses	521.72	8.24	639.83	8.48	416.88	8.51
(e) Finance Cost	184.84	2.92	169.01	2.24	158.29	3.23
(f) Depreciation & Amortization	177.68	2.81	134.54	1.78	97.86	2.00
(g) Other Expenses	342.71	5.41	502.33	6.66	266.50	5.44
<b>4 Total Expenditure 3(a) to 3(g)</b>	<b>5,992.96</b>	<b>94.67</b>	<b>7,407.47</b>	<b>98.17</b>	<b>4,786.93</b>	<b>97.70</b>

	<b>Profit/(Loss) Before Exceptional and Extra-Ordinary Item</b>	337.13	5.33	137.77	1.83	112.50	2.30
	Exceptional Items	-		-		-	
<b>5</b>	<b>Profit/(Loss) Before Tax (2-4)</b>	<b>337.13</b>	5.33	137.77	1.83	112.50	2.30
<b>6</b>	<b>Tax Expense:</b>						
(a)	Tax Expense For Current Year	108.16	1.71	57.57	0.76	36.94	0.75
(b)	Deferred Tax	(35.25)	(0.56)	-	-	(10.95)	(0.22)
	<b>Net Current Tax Expenses</b>	<b>72.92</b>	<b>1.15</b>	<b>57.57</b>	<b>0.76</b>	<b>25.99</b>	<b>0.53</b>
<b>7</b>	<b>Profit/(Loss) for the period from continuing operations (5-6)</b>	<b>264.21</b>	<b>4.17</b>	<b>80.21</b>	<b>1.06</b>	<b>86.52</b>	<b>1.77</b>

### ***Main Components of our Profit and Loss Account***

**Income-** Our total income comprises of revenue from operations and other income.

**Revenue from Operations-** Our revenue from operation as a percentage of our total income was 99.86%, 99.95% and 99.81% for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

Our company's revenue has exponentially increased from Rs. 4,899.44 lacs in FY 2020-21 to Rs. 7541.15 lacs in FY 2021-22. This was mainly due to increase in our distributor network and launch new product line of Lollipops which lead to increase in sales. However, the profitability of the company had reduced from Rs.86.52 Lakhs in FY 2020-21 to Rs. 80.21 Lakhs in FY 2021-22. This reduction was mainly due to increase in prices of raw materials during the covid period.

However, in the FY 2022-2023, there were changes in government regulations regarding the use of single-use plastic. Consequently, the company's target customers reduced their orders for lollipop products. Due to this the sales were reduced in FY 2023 as compared to FY 2022. Further, the company took some time to find a suitable replacement for single-use plastic and to establish a new supply chain for the modified product category.

Further, in FY 2023 the PAT was Rs. 264.21 Lakhs and in FY 2022, the PAT was Rs. 80.21 Lakhs. there was in increase in PAT by 229.42%. the PAT had increased mainly due to decrease in raw material price cost, implementation of solar panels and reduction in expenses and focusing on higher profitable products.

**Expenditure-** Our total expenditure primarily consists of cost of raw material consumed, Purchases of Stock in Trade, Changes in inventories of finished goods and Stock in trade, employee benefit expenses, Depreciation, finance costs and Other Expenses.

**Employee Benefit Expenses-** Our employee benefits expense comprises of Salaries and wages, Director Remuneration, Contribution to Provident and ESI Funds, gratuity provision & Staff Welfare Expenses.

**Finance costs-** Our Finance cost expenses comprises of Interest Expenses & other borrowing costs.

**Other Expenses -**Other expenses primarily include Manufacturing Expenses & Administrative & Selling Expenses, etc.

**Provision for Tax-** The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **COMPARISON OF FY 2023 WITH FY 2022**

### ***Income***

The total income of our company for fiscal year 2023 was ₹6330.09 lacs against ₹7545.25 lacs total income for Fiscal year 2022. The total income experienced a decline of 16.10% due to result of the ban on single-use plastic by government of India, further we have to stop using plastic for lollipop segment which took time to find its alternative. This ban had a significant impact on one of our key products, lollipops, which accounted for 28.38% of our total sales in FY 2022, equivalent to Rs 2130.56 lacs However, due to the plastic ban, lollipop sales drop to Rs 766.28 lacs in FY 2023.

### ***Expenditure***

#### **Cost of Raw Material Consumed**

In Fiscal 2023, our Company incurred cost of Raw Material Consumed ₹ 3888.70 lacs against ₹ 4947.47 lacs expenses in fiscal 2022. A decreased of 21.40%. This decreased is in line with the decreased in Sales.

#### ***Purchases of Stock in Trade***

In Fiscal 2023, our Company Purchase stock in trade for Rs.1002.08 lacs against ₹ 1018.55 lacs expenses in fiscal 2022. A decreased of 1.62%. This decreased is in line with the decreased in Sales.

#### ***Employee Benefit Expenses***

In Fiscal 2023, our Company incurred for employee benefit expenses ₹521.72 lacs against ₹ 639.83 lacs expenses in fiscal 2022. A decreased of 18.46%. This was mainly due to decreased in production.

#### ***Finance Costs***

The finance costs for the fiscal 2023 was ₹ 184.84 lacs while it was ₹ 169.01 lacs for fiscal 2022 i.e. an increase of 9.36%. To achieve high profit margin in fiscal year 2023 more borrowed funds were employed and hence there is an increase in finance cost.

#### ***Depreciation***

In fiscal 2023, our depreciation were ₹ 177.68 lacs and ₹ 134.54 lacs in fiscal 2022. An increase of 32.07% is in correlation with the additions in fixed assets.

#### ***Other Expenses***

In fiscal 2023, our other expenses were ₹ 342.71 lacs and ₹ 502.33 lacs in fiscal 2022. A decrease of 31.78% is on account of various cost cutting measures undertaken by the company.

#### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2023 of ₹ 337.13 lacs against profit before tax of ₹ 137.77 lacs in Fiscal 2022, a 144.70% increase. The profit has increase mainly due to decreased in raw material price cost, implementation of solar Panels results into decrease in power cost, reduction in expenses and focusing on higher profitable products.

#### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2023 was at ₹ 264.21 lacs against profit after tax of ₹ 80.21 lacs in fiscal 2022, a 229.42% increase. The profit has increase mainly due to decreased in raw material price cost, implementation of solar Panels, reduction in expenses and focusing on higher profitable products.

## **COMPARISON OF FY 2022 WITH FY 2021**

### ***Income***

The total income of our company for fiscal year 2022 was ₹7545.25 lacs against ₹ 4,890.36 lacs total income for Fiscal year 2021. A increased of 54.22% in total income was due to increase in installed capacity (purchase of new machinery), our dealer distributor network expanded by around 20% and expanding our product range.

### ***Expenditure***

#### **Cost of Raw Material Consumed**

In Fiscal 2022, our Company incurred cost of Raw Material Consumed ₹ 4947.47 lacs against ₹ 2617.09 lacs expenses in fiscal 2021. This increase is in line with the increase in Sales.

#### ***Purchases of Stock in Trade***

In Fiscal 2022, our Company Purchase stock in trade for Rs. 1018.55 lacs against ₹ 1,234.30 lacs expenses in fiscal 2021. A decreased of 17.48%. This decreased is due to exceptionally increase in cost of raw material consumed.

#### ***Employee Benefit Expenses***

In Fiscal 2022, our Company incurred for employee benefit expenses ₹639.83 lacs against ₹ 416.88 lacs expenses in fiscal 2021. An increase of 53.48%. This was mainly due to increase in production.

#### ***Finance Costs***

The finance costs for the fiscal 2022 was ₹ 169.01 lacs while it was ₹ 158.29 lacs for fiscal 2021 i.e. an increase of 6.77%. To achieve higher turnover in fiscal year 2022 more borrowed funds were employed and hence there is an increase in finance cost.

#### ***Depreciation***

In fiscal 2022, our depreciation were ₹ 134.54 lacs and ₹ 97.86 lacs in fiscal 2021. An increase of 37.47% is in correlation with the additions in fixed assets.

#### ***Other Expenses***

In fiscal 2022, our other expenses were ₹ 502.33 lacs and ₹ 266.50 lacs in fiscal 2023. An increase of 88.49% is on account of increase in production.

#### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2022 of ₹ 137.77 lacs against profit before tax of ₹ 112.50 lacs in Fiscal 2021, a 22.46% increase is due to increase in turnover.

#### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2022 was at ₹ 80.21 lacs against profit after tax of ₹ 86.52 lacs in fiscal 2021, a 7.29% decrease. The profit has slightly decrease mainly due to nil deferred tax.

#### **Cash Flow Details**

The table below summaries our cash flows from our Restated Audited Financial Information for the period ended August 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021

**(Rs. in Lakhs)**

Particulars	For the period ended August 31, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Net cash generated from / (used in) operating activities	123.40	580.31	(138.13)	318.63
Net cash generated from / (used in) Investing Activities	(134.93)	(111.81)	(41.60)	(220.88)
Net cash generated from / (used in) from financing activities	13.35	(476.63)	(394.43)	436.90

**Information required as per Item (II) (C) (i) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions.**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years, except the outbreak of COVID 19.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Other than as described in the section titled “Risk Factors” beginning on page no. 20 of this Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Other than as described in the section titled “Risk Factors” beginning on page no. 20 of this Prospectus, in our opinion there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Other than as described in the chapter titled “Risk Factors” beginning on page 20 of this Prospectus, best to our knowledge, Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices of raw material.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in our revenues are by and large linked to increases in the volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company is in the business of Manufacturing & Supplier of confectionery products. Relevant industry data, as available, has been included in the chapter titled “Industry Overview” beginning on page 84 of this Prospectus.

**7. Competitive conditions.**

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Business Overview” beginning on pages 84 and 91, respectively of this Prospectus.

**8. Any significant dependence on a single or few suppliers or customers.**

As on August 31, 2023	Suppliers’ contribution	Customers’ contribution
Top 5 %	48.18%	21.58%
Top 10 %	65.10%	30.84%

<b>As on March 31, 2023</b>	<b>Suppliers' contribution</b>	<b>Customers' contribution</b>
Top 5 %	41.38%	18.28%
Top 10 %	53.40%	26.32%

<b>As on March 31, 2022</b>	<b>Suppliers' contribution</b>	<b>Customers' contribution</b>
Top 5 %	29.96%	16.96%
Top 10 %	41.57%	26.14%

<b>As on March 31, 2021</b>	<b>Suppliers' contribution</b>	<b>Customers' contribution</b>
Top 5 %	21.53%	18.32%
Top 10 %	35.00%	28.29%

## STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company has availed certain loans in the ordinary course of business for the purposes including, but not limited to meeting its working capital requirements and financing its capital expenditure. Our Company has obtained the NOC from Banks.

Unless otherwise stated, the approvals and/or sanctions are valid as of the date of this Prospectus and in case the said approvals and/or sanctions have expired, we have either made an application for renewal or are in the process of making an application for renewal.

As on the date of filing of this Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Our Company utilizes various credit facilities from banks for conducting its business. Following is a summary of our Company's outstanding borrowings as on August 31, 2023:

<b>Sr. No.</b>	<b>Nature of Borrowings</b>	<b>Outstanding Amount as on 31.08.2023 (Rs. In Lakhs)</b>
1.	Secured Borrowings	1657.44
2.	Unsecured Borrowings	238.02
	<b>Total</b>	<b>1895.47</b>

**For details, please refer to Annexure 9, Annexure 10, Annexure 9.1 and Annexure 10.1.**

## SECTION X- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities on a consolidated basis; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board in its meeting held on September 25, 2023 has identified, considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) Matters pertaining to Section 138 of Negotiable Instruments Act filed by the Company to be disclosed in summary form;*
- c) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 10,00,000 Lakhs/- (Rupees Ten Lakhs only) or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- d) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Further, as per the Materiality Policy, our Board has approved, creditor of the Company shall be considered to be material if amounts due to such due to such creditor exceed 10% of the Company's trade payables for the most recent financial year as per the restated financial statements.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Unless otherwise stated, all proceedings are pending as of the date of this Prospectus. All information provided below is as of the date of this Prospectus.*

All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

## **I. LITIGATIONS INVOLVING OUR COMPANY**

### **A) Litigation filed against our Company – Nil**

- a) Criminals proceedings: Nil
- b) Outstanding actions by regulatory and statutory authorities: Nil
- c) Civil Proceedings:

- i. ***M/s. Karnal Milk Foods Limited vs. M/s. Italian Edibles Private Limited, Sh. Akshay Makhija and Sh. Ajay Makhija – CS/452/2022***

M/s. Karnal Milk Foods Limited ("**Plaintiff**") filed CS/452/2022 ("**Suit**") before the Hon'ble Court of Learned Civil Judge (Senior Division), Karnal ("**Court**") against M/s. Italian Edibles Private Limited ("**Defendant 1**"), Sh. Akshay Makhija ("**Defendant 2**") and Sh. Ajay Makhija ("**Defendant 3**"), (collectively "**Defendants**"), for recovery of Rs. 40,00,000/- along with future interest at the rate of 24% per annum along with damages. The Plaintiff states that Defendant 2 and Defendant 3 on behalf of Defendant 1 purchased Skimmed Milk Powder ("**SMP**") worth Rs. 36,15,000/- from the Plaintiff and the same was delivered to them on May 23, 2019. As per the terms and conditions agreed between the Plaintiff and the Defendants 100% payment had to be made within 10 days of receipt of materials and in case of breach of the same the Defendants would be liable to pay 24% per annum interest. The Plaintiff further states that, the Defendants failed to make payment for the SMP and therefore, the Defendants are liable to pay Rs. 36,15,000/- along with interest at the rate 24% per annum which sums to Rs. 40,00,000/-. The matter is pending before the Court.

### **B) Litigation filed by our Company – Nil**

- a) Criminal proceedings: Nil
- b) Civil Proceedings: Nil

### **C) Tax proceedings-**

<b>Particulars</b>	<b>No of cases</b>	<b>Amount Involved (in Rs.)</b>
Direct Tax	11	80,00,875/-
Indirect Tax	Nil	Nil
<b>Total</b>	<b>11</b>	<b>80,00,875/-</b>

#### **Company Tax Proceedings:**

##### **Assessment Year 2019-20**

During the Assessment Year 2019-20, the Income Tax department conducted a survey on the Company's factory premises and found excess inventory of Rs.1,20,49, 234. The Company offered this amount to tax in its income tax return.

The income tax officer classified this amount as a type of unexplained investment under Section 69B of the Act and considered it as income and charged it to tax under Section 115BBE of the Act. The Assistant Commissioner of Income Tax, Central Circle Ujjain ("**ACIT**") issued an assessment order dated September 9, 2021 against the Company, to charge interest under Sections 234A, 234B, 234C and 234D of the Income Tax Act, 1961 (the "**Act**") and to initiate penalty proceedings under Section 271AAC of the Act on the income of Rs.120,49, 234.

The Company filed an appeal before the Commissioner of Income Tax (Appeals) – 3 ("**CIT**") against the assessment order dated September 9, 2021. The CIT allowed the appeal. In its order on June 2, 2022, the CIT held that the additional income was on account of business income and is, therefore, liable to be taxed under the head

'income from business or profession', and that the provisions of Section 115BBE of the Act are not applicable as excess inventory.

On September 1, 2022, the ACIT filed an appeal against the CIT order of June 2, 2022 before the Income Tax Appellate Tribunal. The appeal is pending.

#### **Assessment Year 2018 - 19**

The Company has an outstanding TDS demand of Rs.3,14,000 comprising Rs.3,00,000 as principal amount and Rs. 14,000 towards interest. On November 2, 2023, the Company made payment of the interest amount. While making payments to Mr. Ajay Makhija and Mr. Akshay Makhija, the Company did not deduct TDS of Rs.1,50,000 each. The Company has written a letter to the Income Tax department, explaining the reason for not deducting TDS on payments to Mr. Ajay Makhija and Mr. Akshay Makhija, stating that since each of Mr. Ajay Makhija and Mr. Akshay Makhija have furnished their respective returns under Section 139, taken into account the amount of Rs.150,000 each for computing their income in the return and paid the tax due on such amount, the Company is absolved from deducting TDS on the aggregate amount of Rs.300,000 and the Company will not be deemed to be an assessee in default in respect of such tax.

## **II. LITIGATIONS INVOLVING OUR PROMOTERS**

### **A) Litigation filed against our Promoter – Nil**

- a) Criminal proceedings: Nil
- b) Outstanding actions by regulatory and statutory authorities: Nil
- c) Civil Proceedings:

- i. *M/s. Karnal Milk Foods Limited vs. M/s. Italian Edibles Private Limited, Sh. Akshay Makhija and Sh. Ajay Makhija – CS/452/2022*

For details pertaining to this litigation, please see "**Outstanding Litigation and Material Developments - Litigation Filed against our Company - Civil Proceedings - M/s. Karnal Milk Foods Limited vs. M/s. Italian Edibles Private Limited, Sh. Akshay Makhija and Sh. Ajay Makhija - CS/452/2022**" of this chapter beginning on 197 of this Prospectus.

### **B) Litigation filed by our Promoter – Nil**

- a) Criminal proceedings: Nil
- b) Outstanding actions by regulatory and statutory authorities: Nil
- c) Civil Proceedings: Nil

### **C) Tax proceedings –**

<b>Particulars</b>	<b>No of cases</b>	<b>Amount Involved (in Rs.)</b>
Direct Tax	5	4,18,961/-
Indirect Tax	Nil	Nil
<b>Total</b>	<b>5</b>	<b>4,18,961/-</b>

### **Promoter /Director Tax Proceedings:**

One of our Promoters, who is also a Director of our Company, Mr. Akshay Makhija has an outstanding income tax demand of Rs. 3,73,413. The details of the same are given below:

#### **1. Assessment Year 2020 – Demand Reference Number: 2022202037109802966T**

On September 2, 2022, Mr. Akshay Makhija received a demand notice from the Income Tax department for an amount of Rs.3,400. At the time of filing of Prospectus this demand was noticed on the Income tax portal. Upon payment of

Rs.58,670, the demand of Rs.3,400 was not observed on the Income tax portal, which in our view may be due to re-processing and payment of demand of Rs.58,670.

## **2. Assessment Year 2020 – Demand Reference Number: 2022202037109802966T**

On September 2, 2022, Mr. Akshay Makhija received a demand notice from the Income Tax department for an amount of Rs.2,11,274, along with interest of Rs.30,016. This outstanding amount is a penalty on a previous outstanding tax demand of Rs. 58,670. On September 13, 2023, Mr. Akshay Makhija paid the amount of Rs. 58,670 vide challan number 31612. While Mr. Akshay Makhija believes that the penalty and interest may have been waived by the Income tax department, these amounts continue to be reflected on the Income tax portal.

## **3. Assessment Year 2020 – Demand Reference Number: 2022202040411957243T**

On April 12, 2023, Mr. Akshay Makhija received a demand notice from the Income Tax department for an amount of Rs.1,22,113. Mr. Akshay Makhija has disagreed with this demand and the status is showing as such on the Income tax portal. Mr. Akshay Makhija has not received any response from the Income Tax department till date and the Income Tax portal reflects the current status as pending payment. Once Mr. Akshay Makhija receives a response from the Income Tax Department, he will decide either to appeal against the demand or make payment thereof.

## **4. Assessment Year 2015 – Demand Reference Number: 2016201537067059090T**

On February 1, 2017, Mr. Akshay Makhija received a demand notice from the Income Tax department for an amount of Rs.33,100. Mr. Akshay Makhija has disagreed with this demand and the status is showing as such on the Income tax portal. Mr. Akshay Makhija has not received any response from the Income Tax department till date and the Income Tax portal reflects the current status as pending payment. Once Mr. Akshay Makhija receives a response from the Income Tax Department, he will decide either to appeal against the demand or make payment thereof.

## **5. Assessment Year 2017 – Demand Reference Number: 2017201737072417195T**

On November 19, 2017, Mr. Akshay Makhija received a demand notice from the Income Tax department for an amount of Rs. 370. On November 7, 2023, Mr. Akshay Makhija made this payment vide challan No. 73781 and this demand is no more outstanding.

### **D) Litigations filed by Promoters of our Company**

- a) Criminal Litigations- Nil
- b) Civil Proceedings- Nil

### **III. LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY**

#### **A) Litigation filed against our Directors – NIL**

- a) Criminal proceedings: Nil
- b) Outstanding actions by regulatory and statutory authorities: Nil
- c) Civil Proceedings:

- i. *M/s. Karnal Milk Foods Limited vs. M/s. Italian Edibles Private Limited, Sh. Akshay Makhija and Sh. Ajay Makhija – CS/452/2022*

For details pertaining to this litigation, please see "**Outstanding Litigation and Material Developments - Litigation Filed against our Company - Civil Proceedings - M/s. Karnal Milk Foods Limited vs. M/s. Italian Edibles Private Limited, Sh. Akshay Makhija and Sh. Ajay Makhija - CS/452/2022**" of this chapter beginning on 197 of this Prospectus.

#### **B) Litigation filed by our Directors – Nil**

- a) Criminal proceedings: Nil
- b) Outstanding actions by regulatory and statutory authorities: Nil

c) Civil Proceedings: Nil

**C) Tax proceedings-**

<b>Particulars</b>	<b>No of cases</b>	<b>Amount Involved (in Rs.)</b>
Direct Tax	5	3,73,413/-
Indirect Tax	Nil	Nil
<b>Total</b>	<b>5</b>	<b>3,73,413/-</b>

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of the Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Prospectus.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for except TDS payable and Income Tax payable for the past financial years.

**MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Prospectus.

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

## OUTSTANDING DUES TO CREDITORS

As of August 31, 2023, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors is as follows:

(Rs. In Lakhs)		
Particulars	No. of Creditors	Amount Outstanding
Dues to micro, small and medium enterprises*	52	441.77
Material dues to creditors	Nil	Nil
Other dues to creditors	163	897.22
<b>Total</b>	<b>215</b>	<b>1339.49</b>

*\*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

The details pertaining to outstanding overdues to Material Creditors, along with the name and amounts involved for each such Material Creditor, are available on the website of our Company at [www.ofcoursegroup.com](http://www.ofcoursegroup.com).

## MATERIAL DEVELOPMENTS

Except as stated in “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on page no. 188, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Emerge Platform of NSE.

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Industry Regulations and Policies' on page no. 109 of this Prospectus.*

### **A) APPROVALS FOR THE ISSUE**

1. Our Board has pursuant to a resolution passed at its meeting dated on September 25, 2023 under Section 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue of Equity Shares, subject to the approval of the shareholders and such other authorities as may be necessary.
2. Our Shareholders have pursuant to a special resolution passed at their meeting dated September 25, 2023 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013, authorized the Fresh Issue of Equity Shares.
3. Our Company has obtained an approval from the NSE EMERGE for listing our Equity Shares through their Letter dated January 12, 2024 bearing reference number. NSE/LIST/2972.
4. Agreement dated September 15, 2023 between CDSL, the Company and the Registrar to the Issue;
5. Agreement dated September 13, 2023 between NSDL, the Company and the Registrar to the Issue
6. The Company's International Securities Identification Number ("ISIN") is INE0R7R01018.

### **B) APPROVALS IN RELATION TO THE COMPANY**

7. Certificate of Incorporation dated December 16, 2009 in the name of "Italian Edibles Private Limited" was issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh.
8. Fresh Certificate of Incorporation dated September 21, 2023 under the name of "Italian Edibles Limited" was issued by the Registrar of Companies, Gwalior, upon conversion from "Italian Edibles Private Limited" to "Italian Edibles Limited"
9. The Corporate Identity Number (CIN) of the Company is U15141MP2009PLC022797.

### **C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Issuing Authority	Registration / License No.	Nature of Registration / License	Date of Registration	Valid Up to
Registration in Income Tax Department	AACCI2746N	Allotment of Permanent Account Number (PAN) under the name of <b>Italian Edibles Limited</b>	16-12-2009	Valid Till Cancelled
Government of India	23AACCI2746N1ZG	GST Registration Certificate	22-12-2020	Valid Till Cancelled
Income Tax Department	BPLI01344A	Allotment of Tax Deduction Account Number (TAN)	16-12-2009	Valid Till Cancelled
Employees' Provident Fund Organisation, Ministry of Labour and Employment	MPIND1560762000	Allotment of Provident Fund (PF)	01-03-2017	Valid Till Cancelled
Employees' State Insurance Corporation	18000262660000011	Allotment of Employee's Insurance (ESIC)	14-03-2017	Valid Till Cancelled
Department of Commercial Tax	78261302886	Certificate of Registration for Professional Tax (PT)	24-04-2010	Valid Till Cancelled
Ministry of Micro, Small and Medium Enterprises	UDYAM-MP-23-0002144	Udyam Registration Certificate	29-08-2020	Valid Till Cancelled
Food Safety and Standards Authority of India	11421999000061	FSSAI License-Manufacturing Unit 1	20-07-2022	31-12-2023
Food Safety and Standards Authority of India	10019026001398	FSSAI License-Manufacturing Unit 2	20-06-2023	16-07-2024
Directorate Industrial safety and Health	138/16111/IND/2m(i)	Factory License-Manufacturing Unit 1	30-11-2020	31-12-2023
Directorate Industrial safety and Health	128/16073/IND/2m(i)/NH	Factory License-Manufacturing Unit 2	30-11-2020	31-12-2023
M.P. Pollution Control Board – Indore	AW-103941	Consent Order-Manufacturing Unit 2	04-07-2022	31-03-2027
RIR Certification Private Limited	101195/ITA22A	ISO 22000:2018	27-06-2022	26-04-2024
District Labour Office, Indore	G/101302	Shop and Establishment Act, 1958- Registered Office cum Manufacturing Unit 1	31-12-2019	Valid Till Cancelled
District Labour Office, Indore	G/212727	Shop and Establishment Act, 1958- Manufacturing Unit 2	31-12-2019	Valid Till Cancelled
Ministry of Commerce and Industry	5614000623	Importer-Exporter Code	13-05-2014	Valid Till Cancelled
Foreign Trade Policy, Government of India	MPC/77/2021-2022	Federation of Indian Export Organisations	03-08-2023	31-03-2024

Issuing Authority	Registration / License No.	Nature of Registration / License	Date of Registration	Valid Up to
Controller Weights & Measures, Madhya Pradesh	RS/439/2920/3634/2023	Certificate of Registration of Legal Metrology- Manufacturing Unit 1	28-07-2023	Valid Till Cancelled
Controller Weights & Measures, Madhya Pradesh	RS/439/2920/3635/2023	Certificate of Registration of Legal Metrology- Manufacturing Unit 2	28-07-2023	Valid Till Cancelled

Except for PAN, all of other licenses are in the name of Italian Edibles Private Limited. Our company is yet to make application for changing the named from Italian Edibles Private Limited to Italian Edibles Limited.

#### D) INTELLECTUAL PROPERTY RIGHTS

As on the date of this Prospectus, the company does not hold any other kind of Intellectual Property Rights except as mentioned below for which application has been filed:

Sr. No	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant/ Owner	Application No.	Status	Validity
1.		30	Wordmark- OF COURSE ANNA MALAI	ITALIAN EDIBLE PVT. LTD.	2369848	Registered	25/07/2032
2.	Ofcour's Glowpop	30	Wordmark	ITALIAN EDIBLES PVT. LTD.	4643609	Rectification Filed	07/09/2030
3.		30	Wordmark ITALIAN GOLD ofcour's	ITALIAN EDIBLES PVT. LTD.	3022954	Registered	31/07/2025
4.		30	Wordmark	ITALIAN EDIBLES PVT. LTD.	3908037	Refused	N.A.
5.	ITALIAN Delight	30	Wordmark	ITALIAN EDIBLES PVT. LTD.	3981139	Abandoned	N.A.
6.	ITALIAN BITE	30	Wordmark	ITALIAN EDIBLES PVT. LTD.	3987656	Registered	30/10/2028
7.		31	Wordmark	ITALIAN EDIBLES PVT. LTD.	3910220	Registered	07/08/2028

Sr. No	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant/ Owner	Application No.	Status	Validity
8.		30	Wordmark	ITALIAN EDIBLE PVT. LTD.	2601716	Registered	24/09/2033
9.		30	Wordmark Ofcour's Military Malai	ITALIAN EDIBLE PVT. LTD.	2601717	Registered	24/09/2023
10.		30	Wordmark ofcour's SURE MILK Malai	ITALIAN EDIBLES PVT. LTD.	4067763	Registered	25/01/2029
11		30	Wordmark Ofcour's Milkit	ITALIAN EDIBLES PVT. LTD.	3850635	Registered	02/06/2028
12		30	Wordmark Ofcour's milk Mallow	ITALIAN EDIBLES PVT. LTD.	4201161	Registered	08/06/2029
13		30	Wordmark-Ofcour's Tamba	ITALIAN EDIBLES PVT. LTD.	5023360	Registered	29/06/2031
14		30	Wordmark Ofcour's Rozick Pop	ITALIAN EDIBLES PVT. LTD.	5148679	Registered	29/06/2031
15		30	Wordmark Ofcour's Sweet Art Heart Shaped Lollipop	ITALIAN EDIBLES PVT. LTD.	2987513	Registered	15/06/2025
16		30	Wordmark Ofcour's CHOCO RICH PLUS	ITALIAN EDIBLES PVT. LTD.	5039638	Registered	31/07/2031

Note: Our company is yet to make application for changing the named from Italian Edibles Private Limited to Italian Edibles Limited.

**E) Approvals applied for but not yet received / Renewals made in the usual course of business:**

Except as mentioned below, our company has not applied any application for and is yet to receive the same:

<b>Issuing Authority</b>	<b>Application No.</b>	<b>Nature of Registration / License</b>	<b>Date of Application</b>
Nagar Palika, Government of Madhya Pradesh	6100012601	Fire NOC- Manufacturing Unit 1	18-11-2023
Nagar Palika, Government of Madhya Pradesh	6100012589	Fire NOC - Manufacturing Unit 2	18-11-2023

**F) Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:**

Our Company is proposing to shift both its existing manufacturing units including the warehouse and registered office to the proposed manufacturing unit to be located at Tillor Khurdh area in Indore district, Madhya Pradesh which shall be owned by our company. For details on our manufacturing units, please refer to “Object of the Issue” on page no. 66 of the Prospectus.

Our Company shall apply for and/or renew all the necessary applicable government approvals/ registrations/ licenses such as Factory licenses, FSSAI Registration, pollution control licenses, shop and establishment licenses, fire NOC etc. and other applicable government approvals/ registrations/ license once the proposed manufacturing unit being set up and/ or it becomes operational. The broad list of material licenses / approvals/ registrations shall be applied for is set forth below:

<b>Sr. No.</b>	<b>Particulars of licenses/ approvals/ registrations</b>	<b>Tentative Time Period of application</b>
1.	License under Food Safety and Standards Act, 2006	Before trial run of proposed manufacturing unit
2.	License to work a factory under Section 6(1) of the Factories Act, 1948	After commissioning of proposed manufacturing unit
3.	Consent to operate and establish and update the capacity for installation of power and labour in our proposed manufacturing unit and the products to be manufactured by us under the Factories Act, 1948, Water (Prevention & Control of Pollution) Act, 1974 and under section 21 of the Air (Prevention & Control of Pollution) Act, 1981	Before start of civil works and before trial run of proposed manufacturing unit
4.	Certificate of verification of weights and measures issued under the Legal Metrology Act, 2009	After Installation of weights, etc.
5.	Increase in installed capacity of Power from Regional Electricity officer, Indore	Before start of civil works and before trial run of proposed manufacturing unit
6.	Fire No Objection Certificate from Indore Municipality Corporation	After complete plan is ready
7.	EPCG License	Before import of plant and machinery
8.	Building Plan Approval	Before start of civil works

## SECTION XI- OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

1. The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on September 25, 2023 under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the shareholders and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares has been authorized by a resolution by the EGM passed at their meeting held on September 25, 2023 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '**Government and Other Approvals**' beginning on page no. 205 of this Prospectus.

Our Company has received approval from NSE *vide* their letter Ref.: NSE/LIST/2972 dated January 12, 2024 to use the name of NSE in this Prospectus for listing of the Equity Shares on Emerge Platform of NSE which is the Designated Stock Exchange.

### Prohibition by SEBI, RBI or Governmental Authorities

We confirm that our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the directors and promoters of our Promoter Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

We also confirm that our Promoters, Directors or Group Companies or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Further, none of our directors are or were associated with any entities which are engaged in securities market related business and are or registered with SEBI for the same.

We, further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as willful defaulters or fraudulent borrowers by the RBI or other authorities.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("**SBO Rules**"), to the extent applicable, as on the date of this Prospectus.

### Association with Securities Market

We confirm that none of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors except as stated under the chapters titled "Risk factors", "Our Promoter, Promoter Group", "Group Companies" and "Outstanding Litigations and Material Developments" beginning on page nos. 20, 135, 139 and 199 respectively, of this Prospectus.

### Eligibility for the Issue

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with **Regulation 229(2)** and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than Ten Crores Rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange **SME/ Emerge Exchange**", in this case being the Emerge Platform of NSE known as ("NSE Emerge").

We confirm that we comply with Regulation 229 (3) of the SEBI ICDR Regulations and all the below requirements / conditions so as to be eligible to be listed on the Emerge Platform of NSE:

- 1) Our Company was incorporated on December 16, 2009 under Companies Act, 1956.
- 2) As on the date of this Prospectus, our company has a Paid-up Capital of Rs. 1,085.72 Lakhs and the post Issue equity share capital will be Rs. 1,477.72 Lakhs which is less than Rs. 2,500.00 Lakhs.
- 3) The networth as per the restated financials of our Company as on August 31, 2023 is Rs. 1,287.92 Lakhs.
- 4) Our Company has a track record of three years of existence as on the date of filing of this Prospectus.
- 5) Our Company has positive cash accrual on the basis of restated financials (Earnings before interest, depreciation and tax) from operations for at least 2 (two) financial years preceding, below are the details:

**(Rs. in Lakhs)**

Cash Accruals	For the period ended August 31, 2023	As on March 31,		
		2023	2022	2021
Profit Before Tax	281.73	337.13	137.77	112.50
Add: Depreciation	49.83	177.68	134.54	97.86
Less: Other Income	0.46	8.89	4.10	9.07
<b>Positive Cash Accruals (Earnings Before Depreciation and Tax)</b>	<b>331.10</b>	<b>505.92</b>	<b>268.21</b>	<b>201.29</b>

- 6) There is no change in the promoter/s of the Company in the preceding one year from date of filing application with Emerge Platform of NSE.
- 7) Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode.
- 8) Our Company has a live and operational website: [www.ofcoursegroup.com](http://www.ofcoursegroup.com)
- 9) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- 10) There is no winding up petition against our Company, which has been admitted by the court. Also, no liquidator has been appointed.
- 11) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company or Promoters or our Directors or members forming a part of the Promoter Group or Our Companies/ Entities except as mentioned in the chapter titled "Outstanding Litigation and Material Developments" beginning on page 199 of this Prospectus.

We further confirm that:

- a) Our Company is not ineligible to make the Issue in terms of **Regulation 228** of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:
  - 1) Neither our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have been prohibited/debarred from accessing or operating in the capital markets under any order or direction passed by SEBI;

- 2) None of our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have not been declared as **‘Wilful Defaulter’ and/ ‘Fraudulent Borrowers’** as on the date of filing this Prospectus.
  - 3) None of our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have not been declared as **‘Fugitive Economic Offender’** as on the date of filing this Prospectus.
- b) Our Company is in compliance with the following conditions specified in **Regulation 230** of the SEBI Regulations, 2018 to the extent applicable.
- 1) The Prospectus has been filed with NSE and our Company has made an application to National Stock Exchange of India Limited for listing of its Equity Shares on the Emerge Platform of NSE. National Stock Exchange of India Limited is the Designated Stock Exchange;
  - 2) Our Company has entered into an agreement with NSDL and CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
  - 3) The Equity Shares of our Company are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Prospectus;
  - 4) The entire Equity Shares held by our Promoters will be in dematerialized form before opening of the Issue for subscription.
  - 5) The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page no.66 of this Prospectus;
  - 6) The amount dedicated for general corporate purposes, as mentioned in “Objects of the Issue” on page no. 66 of this Prospectus, does not exceeding twenty-five per cent (25%) of the amount being raised by the Issuer.

**We confirm that in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

- a) In accordance with **Regulation 246** the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- b) In accordance with **Regulation 260(1) and 260(2)** of the SEBI (ICDR) Regulations, the issue has been 100.00 percent underwritten and that the 39,20,000 of the Total Issue Size. For further details pertaining to said underwriting please refer to paragraph titled **‘Underwriting Agreement’** under chapter titled **‘General Information’** on page no. 48 of this Prospectus.
- c) In accordance with **Regulation 261** of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in the Issue. For further details of the arrangement of market making please refer to paragraph titled **‘Details of the Market Making Arrangement for the Issue’** under chapter titled **‘General Information’** on page no. 48 of this Prospectus.
- d) In accordance with **Regulation 268(1)** of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the Issue is not less than fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within three days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of three days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013. Further, in accordance with Section

40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 25, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE DUE DILIGENCE CERTIFICATE FURNISHED WITH SEBI BY THE LEAD MANAGER IS REPRODUCED BELOW:**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL WHILE FINALISING THE PROSPECTUS OF THE SUBJECT ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - d) THE PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
  - e) ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - f) THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE**

WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3) BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE PROSPECTUS ARE ALSO REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE.
- 5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
- 6) ALL APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE PROSPECTUS.
- 7) ALL APPLICABLE PROVISIONS OF THESE REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD.

WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE- NOT APPLICABLE AS THE PROMOTERS CONTRIBUTION HAS ALREADY BEEN DEPLOYED.

- 8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION- NOTED FOR COMPLIANCE- AS PER TRI-PARTITE AGREEMENT WITH BANKERS TO THE ISSUE.
- 9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION.
- 10) IN CASE OF A RIGHTS ISSUE DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.
- 11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT OFFER DOCUMENT/ DRAFT LETTER OF OFFER:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THEISSUER –NOTED

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALLDISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD - NOTED

- 12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE
- 13) IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INSTITUTIONAL TRADING PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THESE REGULATIONS - NOT APPLICABLE.
- 14) WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS–NOTED FOR COMPLIANCE.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THESE REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY–NOTED FOR COMPLIANCE.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- 1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THIS PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. - NOTED FOR COMPLIANCE
- 3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. –NOTED FOR COMPLIANCE
- 4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. –NOTED FOR COMPLIANCE
- 5) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, HAVE BEEN MADE.
- 6) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PERCENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER

**IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE OFFER DOCUMENT WITH REGISTRAR OF COMPANIES. – NOTED FOR COMPLIANCE**

**NOTE:**

The Filing Of The Prospectus Does Not, However, Absolve The Issuer From Any Liabilities Under The Companies Act, 2013 Or From The Requirement Of Obtaining Such Statutory Or Other Clearances As May Be Required For The Purpose Of The Proposed Issue. SEBI Further Reserves The Right To Take Up At Any Point Of Time, With The Lead Merchant Banker, Any Irregularities Or Lapses In This Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gwalior in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2972 dated January 12, 2024 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company October 05, 2023 and the Underwriting Agreement dated January 16, 2024 into between the Underwriter and our Company and the Market Making Agreement dated January 16, 2024 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

**DISCLAIMER IN RESPECT OF JURISDICTION**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2

(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **TRACK RECORDS OF PAST ISSUES HANDLED BY FIRST OVERSEAS CAPITAL LIMITED**

For details regarding the track record of the First Overseas Capital Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of First Overseas Capital Limited at [www.focl.in](http://www.focl.in)

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

**Annexure A**

**Disclosure of Price Information of Past Issues Handled By Merchant Banker(s)**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
<b>SME BOARD</b>								
1)	Kore Digital Limited	18.00	180.00	14-06-2023	201.00	-58.10(+4.48)	+48.26(+6.31)	+106.05(+10.60)
2)	Cell Point (India) Limited	50.34	100.00	28-06-2023	100.00	-52.21(+3.51)	-46.74(+3.18)	-54.16(+11.61)
3)	Synoptics Technologies Limited	54.04	237.00	13-07-2023	238.00	-45.05(-0.24)	-45.44(+1.39)	-35.98(+8.89)
4)	Ondoor Concepts Limited	31.18	208.00	01-11-2023	214	-6.20(6.12)	N.A.	N.A.
5)	Shanthala FMCG Products Limited	16.07	91.00	03-11-2023	108	20.44(6.99)	N.A.	N.A.
6)	Graphisads Limited	53.41	111	14-12-2023	111.50	-33.79(3.99)	N.A.	N.A.
7)	Shree OSFM E Mobility Limited	24.60	65.00	21-12-2023	65.00	31.36(0.79)	N.A.	N.A.
8)	Electro Force (India) Limited	80.68	93.00	27-12-2023	100.00	N.A.	N.A.	N.A.
9)	Sameera Agro and Infra Limited	62.64	180.00	01-01-2024	180.00	N.A.	N.A.	N.A.
<b>MAIN BOARD</b>								
10)	Pyramid Technoplast Limited	153.05	166	29-08-2023	187.00	+2.98(+0.66)	23.92(1.69)	N.A.

**Note:-**

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the nearest trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the nearest trading day has been considered.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. Of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount-180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
<b>SME BOARD</b>														
2023-24*	9	390.95	2	2	1	-	1	2	1	1	-	1	-	-
2022-23	10	193.93	-	4	3	3	-	-	2	1	-	3	-	1
2021-22	4	96.13	1	1	-	2	-	-	2	-	-	1	1	-
<b>MAIN BOARD</b>														
2023-24*	1	1530.52	-	-	1	-	-	-	-	-	-	-	-	-

\* Upto date of this Prospectus

## **FILING**

This Prospectus is being filed with National Stock Exchange of India Limited located at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai - 400 051.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the Prospectus shall be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Gwalior at 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009, Madhya Pradesh.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on Emerge Platform of NSE. Our Company has obtained in principle approval from NSE by way of its letter no. NSE/LIST/2972 dated [January 12, 2024 for listing of equity shares on Emerge Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the Emerge Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within three Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within three Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **CONSENTS**

We have obtained consents in writing of our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Chief Executive Officer, the Lead Manager, Registrar to the Issue, Statutory and Peer Review Auditor to the Company, the Legal Advisor to the Issue, Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Sponsor Bank/ Escrow Collection Bank/ Refund Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required Section 26 and Section 32 of the Companies Act, 2013. Further, such consents and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s Maheshwari & Gupta, Chartered Accountants, our Peer Review Auditors have agreed to provide their respective written consents for inclusion of their report in the form and context in which it appears in this Prospectus and such consents and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

## **EXPERT OPINION TO THE ISSUE**

Except for the reports in the section titled “Financial Statements and “Statement of Tax Benefits” on page no. 143 and 109 respectively of this Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **ISSUE RELATED EXPENSES**

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter “**Objects of the Issue**” beginning on page no. 66 of the Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Market Maker(s)**

The fees payable to the Market Maker(s) to the Issue will be as per the Agreement Dated [•] between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement dated October 05, 2023 executed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp-duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters, if any.

### **Underwriting Commission, Brokerage and Selling Commission**

The underwriting and selling commission for the Issue is as set out in the Underwriting Agreement dated [•] between our Company, the Lead Manager/Underwriter and Market Maker, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance

with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable laws.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years and are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled '*Capital Structure*' beginning on page 54 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND/ OR BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

#### **PREVIOUS CAPITAL ISSUE DURING THE LAST THREE YEARS BY LISTED GROUP COMPANIES AND SUBSIDIARY OF OUR COMPANY**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing this Prospectus with the NSE.

#### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES**

**As on the date of this Prospectus, our Company has no outstanding debentures, bonds, or redeemable preference shares.**

#### **PARTLY PAID-UP SHARES**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **OUTSTANDING CONVERTIBLE INSTRUMENTS**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

#### **OPTION TO SUBSCRIBE**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the “Our Management” on page no. 123 of this Prospectus

As on the date of this Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Prospectus.

Our Company has appointed Ms. Sunila Kalra as the Company Secretary and Compliance Officer and he may be contacted at the following address:

<b>NAME</b>	: Ms. Sunila Kalra
<b>Address</b>	: 309/1/1/8 Block No.03, Mangal Udhyog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India,
<b>Tel No.</b>	: +91 9826298268
<b>Email Id</b>	: <a href="mailto:italian_edibles@yahoo.com">italian_edibles@yahoo.com</a>
<b>Website</b>	: <a href="http://www.ofcoursegroup.com">www.ofcoursegroup.com</a>

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

As on the date of this Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Prospectus.

Our Company, Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

We do not have any Group Companies or Subsidiaries, hence listing of them on any stock exchange is not applicable.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

#### **CAPITALIZATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled '*Capital Structure*' beginning on page no. 54 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION XII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when he same is made available.*

#### **Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on September 25, 2023 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on September 25, 2023, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 262 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled "**Dividend Policy**" on page no. 142 of this Prospectus.

#### **Face Value and Issue Price per Share**

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 68.00 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '*Basis for Issue Price*' beginning on page no. 76 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI ICDR Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing regulations with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 262 of this Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per Section 29 of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 2,000 equity shares and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 2,000 equity share subject to a minimum Allotment of 2,000 equity shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 2,000 equity shares subject to a minimum Allotment of 2,000 equity shares to the successful applicants.

### **Minimum Number of Allottee's**

The minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within three working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Indore, India.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

#### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated September 13, 2023 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated September 15, 2023 amongst CDSL, our Company and the Registrar to the Offer.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. No provision in the bid-cum-application form to provide this. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) To register himself or herself as the holder of the Equity Shares; or
- b) To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Issue Program:**

<b>Issue Opening Date</b>	February 02, 2024; Friday
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<b>Issue Closing Date</b>	February 07, 2024; Wednesday
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	February 08, 2024; Thursday
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	February 09, 2024; Friday
<b>Credit of Equity Shares to demat accounts of Allottee's</b>	February 09, 2024; Friday
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	February 12, 2024; Monday

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100.00% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of hundred per cent (100%) of the Issue through Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so Issued under the Prospectus, the issuer shall forthwith refund the entire subscription amount received failing to which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws. If there is a delay beyond three days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of fifteen per cent per annum.

Further in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information – Underwriting” on page 39.

### **Migration to Main Board**

In accordance with the NSE Circular dated April 20, 2023, our Company will have to be mandatorily listed and traded on the Emerge Platform of the NSE for a minimum period of 3 (Three) years from the date of listing and only after that it can migrate to the Main Board of NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of NSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs. 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of the company is more than Rs. 10 Crores but below Rs. 25 Crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE with compulsory market making through the registered Market Maker of the Emerge Platform for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to paragraph titled 'Details of the Market Making Arrangement for the Issue' under chapter titled '**General Information**' beginning on page no. 48 of this Prospectus.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through the Issue.

### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-issue Equity Shares and Promoters' minimum contribution in the issue as detailed in the chapter '**Capital Structure**' beginning on page 54 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 262 of this Prospectus.

*The above information is given for the benefit of the Applicants. The applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

The Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, and amendments thereto, since our post-issue paid up capital which is more than Rs. 10.00 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of the Issue please refer chapters titled ‘*Terms of the Issue*’ and ‘*Issue Procedure*’ on page no. 225 and 233 of this Prospectus.

### Following is the Issue Structure:

*INITIAL PUBLIC ISSUE OF 39,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF ITALIAN EDIBLES LIMITED (“OUR COMPANY” OR “THE ISSUER COMPANY”) FOR CASH AT A PRICE RS. 68/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.58/- PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO RS. 2,665.60 LAKHS (“THE ISSUE”), OUT OF WHICH 2,00,000 Equity SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF RS. 68/- PER EQUITY SHARE, AGGREGATING TO RS. 136.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 37,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. 68/- PER EQUITY SHARE AGGREGATING TO RS. 2,529.60 LAKHS (IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53 % AND 25.17 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.*

*The Issue is being made through the Fixed Price Process:*

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares*</b>	37,20,000 Equity Shares	2,00,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.90 % of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors)	5.10 % of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum Allotment of 2,000 equity shares and further Allotment in multiples of 2,000 equity shares each.  For further details please refer to the paragraph titled ‘ <i>Issue Procedure-Basis of Allotment</i> ’ on page no. 239 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA)	
<b>Minimum Application Size</b>	<u>For QIB and NII:</u> Such number of Equity Shares in multiples of 2,000 equity shares at an Issue Price of Rs. 68/- each such that the Application Value exceeds Rs. 2,00,000  <u>For Retail Individuals:</u> 2,000 equity shares at an Issue Price of Rs. 68/- each	2,00,000 Equity Shares at an Issue Price of Rs. 68/- each
<b>Maximum Application Size</b>	<u>For QIB and NII:</u> The maximum application size is the Net Issue to public, i.e., 37,20,000 subjects to	2,00,000 Equity Shares at an Issue Price of Rs. 68/- each

Particulars	Net Issue to Public*	Market Maker Reservation Portion
	limits the investor has to adhere under the relevant laws and regulations as applicable.  <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 2,000 equity shares at an Issue Price of Rs. 68/-	
<b>Mode of Allotment</b>	Compulsorily in dematerialized form	Compulsorily in dematerialized form
<b>Trading Lot</b>	2,000 equity shares	2,000 equity shares; the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the Allocation' is the net issue to the public category shall be made as follows:

- a. Minimum fifty percent (50%) To Retail Individual Investors; and
- b. Remaining to:
  - i) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

**Note:**

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.

SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its Emerge Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

**Issue Program:**

<b>Issue Opening Date</b>	February 02, 2024; Friday
<b>Issue Closing Date</b>	February 07, 2024; Wednesday
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	February 08, 2024; Thursday
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	February 09, 2024; Friday
<b>Credit of Equity Shares to demat accounts of Allottee's</b>	February 09, 2024; Friday
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	February 12, 2024; Monday

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of applications on the issue closing date:

- a. A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b. A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c. A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/ the Prospectus before investing in the Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

*The lists of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by NSE act as intermediaries for submitting Application Forms are provided on <https://www.nseindia.com>.*

SEBI through its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (—UPI I) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). The applicability of UPI Phase II was extended from time to time. Thereafter, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) was implemented by SEBI, voluntarily for all public issues opening on or after September 1, 2023 and has been made mandatory for all public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force

for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism. For details, please refer to “Interest In Case Of Delay In Allotment Or Refund” on page 256 of this Draft Prospectus.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a ***UPI Circulars*** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from three working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to

₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **FIXED PRICE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

## **Application Form**

Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using

UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

The prescribed color of the Application Form for various investors applying in the Issue is as follows:

Category	Color *
Resident Indians and Eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

\* Excluding electronic Application Form

RIIs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries")

- (i) an SCSB, with whom the bank account to be blocked, is maintained.
- (ii) a syndicate member (or sub-syndicate member),
- (iii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker"),
- (iv) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- (v) a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),

Retail's investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSBs:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking the funds available in the bank account linked bank account details specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the designated branches of the respective SCSBs for blocking of the funds within one day of the closure of Issue.

For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant details, including UPI ID, in the electronic system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>
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Stock exchange(s) shall validate the electronic details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/24180/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

#### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e., [www.nseindia.com](http://www.nseindia.com).

#### **WHO CAN APPLY?**

- 1) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- 2) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- 3) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- 4) Mutual Funds registered with SEBI;

- 5) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- 6) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- 7) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- 8) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- 9) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional applicant's category;
- 10) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- 11) Foreign Venture Capital Investors registered with the SEBI;
- 12) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- 13) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- 14) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- 15) Provident Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 16) Pension Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 17) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- 18) Insurance funds set up and managed by army, navy or air force of the Union of India and Department of Posts, India;
- 19) Multilateral and bilateral development financial institution;
- 20) Eligible QFIs;
- 21) Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
- 22) Multilateral and bilateral development financial institutions;
- 23) State Industrial Development Corporations;
- 24) Nominated Investor and Market Maker;
- 25) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

##### *a) For Retail Individual Applicants*

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs. 2,00,000.

##### *b) For Other Applicants (Non-Institutional Applicants and QIBs):*

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 2,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

#### BASIS OF ALLOTMENT

Allotment will be made in consultation with the Emerge Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).

- 2) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 2,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 2,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 2,000 equity shares subject to a minimum allotment of 2,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- 6) Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) Minimum fifty percent (50%) To Retail Individual Investors; and
  - b) Remaining to:
    - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*Explanation: If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/ -. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

Except for the Underwriting and Market Making Obligations, the Lead Manager, Underwriters and Market Marker, if any shall not be allowed to subscribe to the Issue in any manner. However, associates and affiliates of the Lead Manager and Syndicate Members, if any, may subscribe to or purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- (a) As per Section 29 (1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form.
- (b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- (c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

## INFORMATION FOR THE APPLICANTS

- 1) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- 2) Our Company shall, after registering the Prospectus with the RoC, make a pre-issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement shall be in the prescribed format as per ICDR Regulations.
- 3) Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange.
- 4) Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
- 5) Applicants who are interested in subscribing for the Equity Shares should approach the Designated Intermediaries to register their applications.
- 6) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- 7) The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained or UPI ID linked account is maintained in case of retail individual investor, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
- 8) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained or UPI ID linked account is maintained in case of retail individual investor. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
- 9) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account or UPI linked account number is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
- 10) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

## APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

#### **APPLICATIONS BY ELIGIBLE NRIS/FII'S/RFPIS ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Issue of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **APPLICATION BY FPIS (INCLUDING FIIS)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not reregistered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability partnerships can participate in the Issue only through ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) *equity shares of a company*: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) *the entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) *The industry sector in which the investee company operates*: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves.

A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **APPLICATIONS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number

of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Prospectus.

## **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **METHOD AND PROCESS OF APPLICATIONS**

- 1) Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
- 2) The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
- 3) During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- 4) The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
- 5) The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB with using UPI for payment	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.

- 6) The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
- 7) Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
- 8) If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

- 9) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- 10) The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **TERMS OF PAYMENT**

The entire Issue price of Rs. 68.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM FOR APPLICANTS**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI. Pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

## **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing**

**process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

***Who can apply through UPI mode?***

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

### **Blocking of Funds:**

- a) Investors shall create UPI ID.
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form.
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange.
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission.
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds.
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds.

### **Unblocking of Funds:**

- a) After the offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public offer escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **Rejection Grounds Under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **List of Banks Providing UPI Facility**

- a. An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.
- b. A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

- c. Home >> Intermediaries/Market Infrastructure Institutions >>Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI
- d. Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
- e. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI.

### Electronic Registration of Applications

- 1) The Designated Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Designated Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Offer Closing Date.
- 3) The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Designated Intermediaries or (iii) the applications accepted but not uploaded by the Designated Intermediaries.
- 5) The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of the Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details *
1)	Symbol
2)	Intermediary Code
3)	Location Code
4)	Application No.
5)	Category
6)	PAN
7)	DP ID
8)	Client ID
9)	Quantity
10)	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

- 7) With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number (of First Applicant, if more than one Applicant);
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Offer or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained;
  - Bank Account Number and
  - Such other information as may be required.
- 8) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 9) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 10) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 11) The Designated Intermediaries shall have no right to reject the applications, except on technical grounds except as mentioned in the Prospectus.
- 12) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 13) The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 14) The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
- 15) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

### **Allocation of Equity Shares**

- 1) The Offer is being made through the Fixed Price Process wherein 2,00,000 Equity Shares shall be reserved for the Market Maker and 18,60,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants,

subject to valid applications being received from the Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on a proportionate basis to Non-Retail Applicants.

2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead manager and the Stock Exchange.

3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

## **OTHER INSTRUCTIONS**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iv) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants’ verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

#### **Option To Receive Equity Shares In Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottee`s shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

#### **Signing Of Underwriting Agreement**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Nikunj Stock Brokers Limited and First Overseas Capital Limited dated January 16, 2024

#### **Filing Of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

## **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within three working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

## **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of three working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

## **GENERAL INSTRUCTIONS**

### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account
- under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

**RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

**GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- Date not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;

- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **Names of entities responsible for finalizing the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN No's, UPI ID (if applicable), Client ID and DP ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal Of Applications and Application Moneys And Interest In Case Of Delay**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed are taken within three working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment shall be made within three (3) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than three working days of the Issue Closing Date, would be ensured; and
- If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law.

Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Impersonation**

*Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:*

*“Any person who:*

- a. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013 and shall be treated as Fraud.”*

### **Completion of formalities for Listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within three Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within three Working Days of the Issue Closing Date.

### **Mode of Refund**

- a) In case of ASBA Applicants: Within three Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Other Investors: Within three Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### ***Mode of Making Refund for ASBA Applicants***

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### ***Mode of making refunds for Applicants other than ASBA Applicants***

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;

(ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

(v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The Issuer shall make the Allotment within the period prescribed by SEBI. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the applicant shall be compensated in accordance with applicable law, i.e. the applicant shall be compensated at a uniform rate of Rs. 100.00 per day for the entire duration of delay exceeding three working days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/24180/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closing date;
- 3) That our Promoter 's contribution in full has already been brought in;

- 4) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) That no further issue of equity shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
- 7) That the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time;
- 8) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 9) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 10) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer; and
- 11) Those adequate arrangements shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 12) That none of the promoters or directors of the company is wilful defaulter or a fraudulent borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board of Directors certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of SEBI(LODR) Regulations, 2015 as amended from time to time in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar to the Issue:

1. Agreement dated September 15, 2023 between CDSL, the Company and the Registrar to the Issue;
2. Agreement dated September 13, 2023 between NSDL, the Company and the Registrar to the Issue;
3. The Company's shares bear an ISIN: INE0R7R01018

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non- Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non- Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION – XIII MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Pursuant to Table F in Schedule I of the Companies Act, 2013, the SEBI ICDR Regulations and the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.*

### **I. Interpretation**

1. Table F not to apply. The regulations contained in Table F in the first Schedule to the Companies Act 2013 shall not apply to this Company but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of or addition to its regulations by Special Resolution as prescribed by the said Companies Act 2013 be such as are contained in these Articles.
2. Interpretation In the interpretation of these Articles the following words and expressions shall have the following meanings assigned there under unless repugnant to the subject matter or content thereof.
  - (a) The Act or the said Act: The Act means the Companies Act 2013 or any statutory modification or re-enactment thereof for the time being in force.
  - (b) These Articles: These Articles means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.
  - (c) Beneficial Owner: Beneficial Owner shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act 1996.
  - (d) The Company or this Company: The Company or this Company means ITALIAN EDIBLES LIMITED. New set of Articles of Association adopted vide resolution passed in Extra Ordinary General Meeting of members of the company held on 01.09.2023.
  - (e) The Directors: The Directors means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board.
  - (f) Depository: Depository shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act 1996.
  - (g) Depositories Act 1996: Depositories Act 1996 includes any statutory modification or re-enactment thereof.
  - (h) The Board or the Board of Directors: The Board or the Board of Directors means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.
  - (i) The Chairman: The Chairman means the Chairman of the Board of Directors for the time being of the Company.
  - (j) The Managing Director: The Managing Director includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.
  - (k) The Office: The Office means the Registered Office for the time being of the Company.
  - (l) Capital: Capital means the share capital for the time being raised or authorised to be raised for the purpose of the Company.
  - (m) The Registrar: The Registrar means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
  - (n) Dividend: Dividend includes Bonus.

- (o) Month: Month means the calendar month.
- (p) Seal: Seal means the Common Seal for the time being of the Company.
- (q) In Writing and Written: In Writing and Written include printing lithography and other modes of representing or reproducing words in a visible form.
- (r) Plural: Number Words importing the singular number also include the plural number and vice versa.
- (s) Persons: Persons include corporations and firms as well as individuals.
- (t) Gender: Words importing the masculine gender also include the feminine gender.
- (u) Securities Exchange Board of India: Securities Exchange Board of India or SEBI means the Securities Exchange Board of India established under Section 3 of the Securities Exchange Board of India Act 1992.
- (v) Year and Financial Year: Year means the Calendar year and Financial Year shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same meaning in the Articles Save as aforesaid any words or expressions defined in the Act shall except where the subject or context forbids bear the same meaning in these Articles. Marginal Notes The marginal notes hereto shall not affect the construction of these Articles. COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY Pursuant to Section 17 of the Act Company shall on being so required by a member send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100- or such other fee as may be specified in the Rules a copy of each of the following documents as in force for the time being (i)The Memorandum (ii)The Articles if any (iii)Every other agreement and every resolution referred to in Section 117(1) of the Act if and in so far as they have not been embodied in the Memorandum or Articles.

## II.

### *Share Capital and Variation of rights*

#### 1. CAPITAL AND SHARES

1.1 The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

1.2 The Board may from time to time with the sanction of the Company in a general meeting increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

1.3 The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

#### 2. SHARES AT THE DISPOSAL OF THE DIRECTORS

2.1 Subject to the provisions of Section 62 of the Act and these Articles the shares capital of Company for the time being shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons In proportion and on such terms and conditions and either at a premium or at par or(subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up share and if so issued shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

#### 3. NEW CAPITAL SAME AS ORIGINAL CAPITAL

3.1 Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments transfer and transmission forfeiture lien surrender voting and otherwise.

#### RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

3.2 (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act 2013 or other applicable provisions (if any) of the Act as applicable at the time of application. This Article is not to delegate any power which the Company would have if it were omitted. (2) The company shall not give whether directly or indirectly and whether by means of a loan guarantee the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or in its holding company. (3) Nothing in sub-clause (2) shall apply to (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government for the purchase of or subscription for fully paid up shares in the company or its holding company if the purchase of or the subscription or the shares held by trustees for the benefit of the employees or such shares held by the employee of the company (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

#### POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE

3.3 Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize its existing Shares, debentures and other securities and rematerialize its such shares debentures and other securities held by it with the Depository and or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act 1996 and the Rules framed there under, if any.

#### DEMATERIALIZATION OF SECURITIES

3.4 Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

#### INTIMATION TO DEPOSITORY

3.5 Notwithstanding anything contained in this Article where securities are dealt with in a Depository the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities.

#### OPTION FOR INVESTORS

3.6 Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository if permitted by law in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities.

#### THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT INTEREST IN THE SECURITIES

##### OTHER THAN THAT OF REGISTERED HOLDER

3.7 The Company or the investor may exercise an option to issue deal in hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act 1996.

#### SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

3.8 All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

#### RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

3.9 (i) Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

#### DEPOSITORY TO FURNISH INFORMATION

3.10 Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may e specified by the byelaws and the Company in that behalf.

#### 4. SHARES AND CERTIFICATES REGISTER AND INDEX OF MEMBERS

4.1 The Company shall cause to be kept at its Registered Office or at such other place as may be decided Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a Register of Members for the residents in that state or country.

## SHARES TO BE NUMBERED PROGRESSIVELY

4.2 The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub- divided.

## 5. DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

5.1 capital of the Company as payment or part payment for any property sold or transferred goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid-up shares.

## APPLICATION OF PREMIUM RECEIVED ON SHARES

5.2 1) Where a company issues shares at a premium whether for cash or otherwise a sum equal to aggregate amount of the premium received on those shares shall be transferred to a securities premium account and the provisions of this Act relating to reduction of share capital of a company shall except as provided in this article apply as if the securities premium account were the paid-up share capital of the company.

2) Notwithstanding anything contained in clause (1) the securities premium account may be applied by the company (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares (b) in writing off the preliminary expenses of the company (c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures of the company (d) in providing for the premium payable on the redemption of any redeemable preference (e) shares or of any debentures of the company or (f) for the purchase of its own shares or other securities under section 68.

## ACCEPTANCE OF SHARES

5.3 Subject to the provisions of these Articles any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall for the purposes of these Articles be a member provided that no share shall be applied for or allotted to a minor insolvent or person of unsound mind.

## 6. LIABILITY OF MEMBERS

6.1 Every member or his heir executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.

## LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

6.2 The Company shall unless the conditions of issue otherwise provide within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures allotted or transferred. Every members shall be entitled without payment to one or more

certificates in marketable lots for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer transmission sub-division consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

#### 7. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED LOST OR DESTROYED

7.1 If any certificate be worn out defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to the Company a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate being given an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide or on payment of such fees (not exceeding Rs.20- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act 1956 or any other Act or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

7.2 A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10- (Rupees Ten) per page. The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner to the same extent and on payment of these same fees as if it were the Register of members of the Company.

#### JOINT ALLOTTEES OF HOLDERS

7.3 Any two or more joint allottees or holders of shares shall for the purpose of Articles be treated as a single member and the certificate for any share which may be the subject of joint ownership may be delivered to any one of such joint owners on behalf of all of them.

#### COMPANY NOT BOUND TO RECOGNISE ANY INTEREST

#### IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

7.4 (i) The Company shall not be bound to recognize any equitable contingent future or partial interest in any share or (except only as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right there to in accordance with these presents in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in

the joint names of two or more persons or survivors of them.(ii) Save as herein otherwise provided the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable contingent future partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### WHO MAY HOLD SHARES

7.5 Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

7.6The Directors shall have the power to offer issue and allot Equity Shares in or Debentures (whether fullypartly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers Employees Workers of the Company or of its Subsidiary and or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as the Employees) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme trust plan or proposal that may be formulated created instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### SWEAT EQUITY

7.7 Subject to the provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force) shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

7.8 (1)In pursuance of section 89 of the act where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.(2)Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)(3)Where any change occurs in the beneficial interest in such shares the person referred to in clause (1) and the beneficial owner specified in clause (2) shall within a period of thirty days from the date of such change make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)(4)The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.(5)Where any declaration under this article is made to a company the company shall make a note of such declaration in the register concerned and shall file within thirty days from the date of receipt of declaration by it a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by central government within the time specified under section 403. (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner shall be enforceable by him or by any person claiming through him. (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall on such payment stand discharged.

## FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

7.9 No funds of the Company shall except as provided by Section 67 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan guarantee the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company. ISSUE OF SHARES WITHOUT VOTING RIGHTS7.10In the event it is permitted by law to issue shares without voting rights attached to them the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

## 8. SECTIONS 45 OF ACT NOT TO APPLY

8.1 Notwithstanding anything to the contrary contained in the Articles (i)Section 45 of the Act shall not apply to the Shares held with a Depository TRUST RECOGNIZED8.2Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognize even when having notice thereof any equitable contingent future or partial interest in any Share or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership. REGISTRATION OF CHARGES8.3The provisions of the Act relating to registration of charges shall be complied with. In case of a charge created out of India and comprising solely property situated outside India the provisions of Section 77 of the Act shall also be complied with. Where a charge is created in India but comprised property outside India the instrument creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated as provided by Section 77 of the Act. Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration. Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

## UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID

8.4 A company may pay commission to any person in connection with the subscription or procurement of subscription to its securities whether absolute or conditional subject to the following conditions namely - (a)The payment of such commission shall be authorized in the company's articles of association (b)The commission may be paid out of proceeds of the issue or the profit of the company or both (c)The rate of commission paid or agreed to be paid shall not exceed in case of shares five percent of the price at which the shares are issued or a rate authorised by the articles whichever is less and in case of debentures shall not exceed two and a half per cent of the price at which the debentures are issued or as specified in the company's articles whichever is less (d)The Draft Prospectus of the company shall disclose (i) The name of the underwriters (ii) The rate and amount of the commission payable to the underwriter and(iii) The

number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally. (e) There shall not be paid commission to any underwriter on securities which are not offered to the public for subscription (f) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the Draft Prospectus for registration.

#### BROKERAGE MAY BE PAID

8.5 The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

#### *Lien*

#### 9. COMPANYS LIEN ON SHAREDEBENTURES

9.1 The Company shall have a first and paramount lien upon all the shares debentures (other than fully paid-up shares debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares debentures. The registration of a transfer of shares debentures shall not operate as a waiver of the Company's lien if any on such shares debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares debentures wholly or in part to be exempt from the provisions of this Article.

#### 10. ENFORCING LIEN BY SALE

10.1 For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member his heirs executors administrators or other legal representatives as the case may be and default shall have been made by him or them in payment fulfillment or discharged of such debts liabilities or engagements for fourteen days after the date of such notice.

#### 11. APPLICATION OF PROCEEDS OF SALE

11.1 The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts liabilities or engagements and the residue if any shall be paid to such member his heirs executors administrators or other legal representatives as the case may be.

#### 12. VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

12.1 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### *Calls on shares*

#### 13. CALLS ON SHARES DIRECTORS MAY MAKE CALLS

13.1 The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by instalments.

## CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

13.2 Where any calls for further share capital are made on shares such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

## 14. NOTICE OF CALLS

14.1 One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

## CALLS TO DATE FROM RESOLUTION

14.2 A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

## 15. DIRECTORS MAY EXTEND TIME

15.1 The Board of Directors may from time to time at its discretion extend the time fixed for the payment of any call and may extend such times as to all or any of the members who from residence at a distance or other cause the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

## 16. CALL TO CARRY INTEREST AFTER DUE DATE

16.1 If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

## 17. PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

17.1 Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due of the shares in respect of which such money is sought to be received that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

## 18. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

18.1 The Directors may if they think fit subject to the provisions of Section 50 of the Act agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate not exceeding 12 unless the company in general meeting shall otherwise direct as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

## *Transfer of shares*

### 19. REGISTER OF TRANSFER

19.1 The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

### EXECUTION OF TRANSFER

19.2 Subject to the Provisions of the Act and these Articles the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name address and occupation if any of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

### INSTRUMENT OF TRANSFER

19.3 Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

### FORM OF TRANSFER

19.4 The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

### NO TRANSFER TO A PERSON OF UNSOUND MIND ETC

19.5 No transfer shall be made to a minor or a person of unsound mind.

### TRANSFER OF SHARES

19.6 (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee. (ii) Where the application is made by the transferor and relates to partly paid shares the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post

### 20. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

20.1 Subject to the Provisions of Section 58 and 59 these Articles and other applicable provisions of the Act or any other law for the time being in force the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of or the transmission by operation of law of the right to any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be was delivered to Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein the Company shall within one month from the date on which instrument of transfer or the intimation of transmission as the case may be was delivered to the Company sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### NO FEE ON TRANSFER OR TRANSMISSION

20.2 No fee shall be charged for registration of transfer transmission Probate Succession Certificate and Letters of administration Certificate of Death or Marriage Power of Attorney or similar other document.

#### TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

20.3 Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. WHEN TRANSFER TO BE RETAINED 20.4 All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

#### DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

20.5 In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

#### TITLE TO SHARES OF DECEASED HOLDER

20.6 Subject to Article 20.5 the heir executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir executor or administrator unless such heir executor or administrator shall have first obtained probate letters of administration or succession certificate.

#### REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

20.7 Subject to the provisions of Article 21.1 any person becoming entitled to any share in consequence of the death lunacy bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be free from any liability in respect of such shares. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

#### CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

20.8 The person entitled to a share by reason of the death lunacy bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days the Board shall thereafter withhold payment of all dividends interests bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

#### 21. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE

##### PROHIBITING REGISTRATION OF TRANSFER

21.1 The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal

owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### NOMINATION

21.2 (i) Every shareholder or debenture holder of the Company may at any time nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by central government under the Act. (ii) Where the shares or debentures of the Company are held by more than one person jointly joint holders may together nominate a person to whom all the rights in the shares or debentures as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by central government under the act. (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures the nominee shall on the death of the shareholders or debenture holder or as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or as the case may be all the joint holders in relation to such shares or debentures to the exclusion of all other persons unless the nomination is varied or cancelled in the manner as may be determined by central government under the Act. (iv) Where the nominee is a minor it shall be lawful for the holder of the shares or debentures to make the nomination to appoint any person to become entitled to shares in or debentures of the Company in the manner prescribed under the Act in the event of his death during the minority.

#### OPTION OF NOMINEE

21.3 (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either-(a) to register himself as holder of the share or debenture as the case may be (b) or to make such transfer of the shares and or debentures as the deceased shareholder or debenture holder as the case may be could have made. If the nominee elects to be registered as holder of the shares or debentures himself as the case may be he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder as the case may be.(ii) A nominee shall be entitled to the share dividend interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures provided that he shall not before being registered as a member be entitled to exercise any right conferred by membership in relation to the meeting of the Company. Provided further that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the shares or debentures until the requirements of the notice have been complied with.

#### TRUST NOT RECOGNISED

21.4 Save as herein otherwise provided the Company shall be entitled to treat the person whose names appears on the Register of Members Debentures as the holder of any Shares Debentures in the records of the Company and or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable contingent future or other claim or interest or partial interest in any such shares debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof but the Board shall be at liberty and at its sole discretion decided to register any share debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### TRANSFER OF SECURITIES

21.5 Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### NOTICE OF APPLICATION WHEN TO BE GIVEN

21.6 Where in case of partly paid Shares an application for registration is made by the transferor the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

#### REFUSAL TO REGISTER NOMINEE

21.7 Subject to the provisions of the Act and these Articles the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### 22. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

22.1 A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

22.2 Subject to the provisions of the Act the Board may refuse to transfer a share or shares in the joint names of more than three persons. JOINT HOLDERS 22.3 If any share stands in the name of two or more persons the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notice and or any other matter connected with the Company except voting at meeting and the transfer of the share be deemed the sole holder thereof but the joint holders of a share be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles.

#### JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

#### TITLE OF SURVIVORS

- (b) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

#### EFFECTUAL RECEIPTS

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

#### DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

- (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 7.3 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

#### VOTES OF JOINT HOLDERS

- (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased members) sole name any shares stand shall for the purpose of this Article be deemed joint holders.

#### CONVERSION OF SHARES INTO STOCKSHARES MAY BE CONVERTED INTO STOCK

22.4 The Board may pursuant to section 61 with the sanction of a General Meeting convert any paid up share into stock and when any shares shall have been converted into stock the several holders of such stock may henceforth transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit but the Board may from time to time if it thinks fit fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with power nevertheless at their discretion to waive such rules in any particular case.

#### RIGHTS OF STOCK- HOLDERS

22.5 The stock shall confer on the holders thereof respectively the same rights privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up shall be conferred by any such equivalent part of consolidated stock as would not if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall so far as circumstances will admit apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid-up shares of any denomination.

#### *Transmission of shares*

#### 23. TRANSMISSION OF SHARE

23.1 Subject to the provisions of the Act and these Articles any person becoming entitled to a share in consequence of the death bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

#### 24. BOARD MAY REFUSE TO TRANSMIT

24.1 The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee as if he were the transferee named in any ordinary transfer presented for registration.

#### 25. BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

25.1 Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.

#### 26. TRANSFER BY LEGAL REPRESENTATION

26.1 A transfer of a share in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

#### 27. CERTIFICATE OF TRANSFER

27.1 The Certification by the Company of any instrument of transfer of shares in or debentures of the Company shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a

prime facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.

### *Forfeiture of shares*

#### 28. FORFEITURE SURRENDER AND LIENIF CALL OR INSTALLMENT NOT PAID NOTICE MAY BE GIVEN

28.1 If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same the Board may at any time hereafter during such time as the call or installment remains unpaid serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non- payment.

#### FORM OF NOTICE

28.2 The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed the shares in respect of which the calls was made or installment was payable will be liable to be forfeited.

#### IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

28.3 If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given, may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

#### 29. NOTICE OF FORFEITURE

29.1 When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

29.2 Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell re-allot otherwise dispose of the same in such manner as it thinks fit.

#### 30. POWER TO ANNUL FORFEITURE

30.1 The Board may at any time before any share so forfeited shall have been sold re-allotted or otherwise disposed of annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

30.2 Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company all calls installments interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit but shall not be under any obligation so to do.

### 31. FORFEITURE OF A SHARE SHALL INVOLVE THE EXTINCTION OF ALL INTEREST

31.1 The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as are by these Articles expressly saved.

#### PROCEEDS HOW TO BE APPLIED

31.2 The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts liabilities or engagements and the residue (if any) paid to such member his heirs executor's administrators or assigns.

### 32. EFFECT OF FORFEITURE/DECLARATION OF FORFEITURE

32.1(a) A duly verified declaration in writing that the declarant is a Director the Managing Director of the Manager of the Secretary of the Company and that share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b)The Company may receive the consideration if any given for the Share on any sale re- allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c)The person to whom such Share is sold re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d)Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls amounts installments interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e)Such purchaser or allottee shall not be bound to see to the application of the purchase money if any nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture sale re- allotment or other disposal of the Shares. 32.2The declaration as mentioned in Article 32.1 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

### 33. TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

33.1 The Company may receive the consideration if any given for the share on any sale re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls amounts installments interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement to contrary) to any of the dividends interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture sale re-allotment or disposal of the share.

#### PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

33.2 Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE

#### TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

34.1 The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the Shares or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### BOARD MAY ACCEPT SURRENDER OF SHARES

34.2 The Board may at any time subject to the provisions of the Act accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

34.3 Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

34.4 For the purpose of the provisions of these Articles relating to forfeiture of Shares the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

#### *Alteration of capital*

#### 35. FURTHER ISSUE OF SHARES

35.1(1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares such shares shall be offered -(a) to persons who at the date of the offer are holders of equity shares of the company in proportion as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely-(i)the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted shall be deemed to have been declined (ii)unless the articles of the company otherwise provide the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (i) shall contain a statement of this right (iii)after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company (b)to employees under a scheme of employees stock option subject to special resolution passed by company and subject to such conditions as may be determined by central government or (c)to any persons if it is authorized by a special resolution whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government. (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue. (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company. The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

#### 36. POWER TO OFFER SHARESOPTIONS TO ACQUIRE SHARES

36.1(i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association the Board or any Committee thereof duly constituted may subject to the applicable provisions of the Act rules notified there under and any other applicable laws rules and regulations at any point of time offer existing or further Shares (consequent to increase of share capital) of the Company or options to acquire such Shares (consequent to increase of share capital) of the Company or options to acquire such Shares at any point of time whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees including Directors (whether whole-time or not) whether at par at discount in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium for cash or for consideration other than cash or any combination thereof as may be permitted by law for the time being in force. (ii)In addition to the powers of the Board under Article 36.1 (i) the Board may also allot the Shares referred to in Article 36.1 (i) to any trust whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options as referred to in Article 36.1 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust as it deems fit. The Board or any Committee thereof

duly authorized for this purpose may do all such acts deeds things etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Article 36.1 (i) and (ii) above.

### 37. REDEEMABLE PREFERENCE SHARES

37.1 Subject to the provisions of Section 55 of the Act the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners terms and conditions of redemption.

#### PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

37.2 On the issue of redeemable preference shares under the provisions of Article 37.1 hereof the following provisions shall take effect. (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption (b) No such shares shall be redeemed unless they are fully paid (c) where such shares are proposed to be redeemed out of the profits of the company there shall out of such profits be transferred a sum equal to the nominal amount of the shares to be redeemed to a reserve to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

### 38. REDUCTION OF CAPITAL

38.1 The Company may subject to the provisions of the Companies Act 2013 or other applicable provisions (if any) of the Act as applicable at the time of application from time to time by special resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise.

#### CONSOLIDATION AND DIVISION OF CAPITAL

38.2 The Company may in general meeting alter the conditions of its Memorandum of Association as follows (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum so however that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (c) Cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

#### SALE OF FRACTIONAL SHARES

38.3 If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions the Board shall subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting if any sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

#### MODIFICATION OF RIGHTS

38.4 Whenever the capital by reason of the issue of Preference Shares or otherwise is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act 2013 be modified commuted affected or abrogated or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

## ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

38.5 The rights conferred upon the holders of shares of any class issued with preferred or other rights not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## NO ISSUE WITH DISPROPORTIONATE RIGHTS

38.6 The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

### *Capitalisation of profits*

## 39. CAPITALIZATION OF RESERVES

39.1 a. Any General Meeting may upon the recommendation of the Board resolve that any moneys investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted distributed and credited as fully paid up to and amongst such members in the proportions aforesaid or (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively or (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. b. (1) Any moneys investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account and (2) If the Company shall have redeemed any redeemable preference shares all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued. c. Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

## 40. BOARD MAY SETTLE ANY DIFFICULTY

40.1 a. For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash share debentures debenture-stock bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance allotment and sale of such shares debentures debenture-stock bonds or other obligations and fractional certificates or otherwise as it may think fit. b. If and whenever any share becomes held by any member in fraction the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting if any sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof for the purpose of giving effect to any such sale the Board may authorize any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale. c. Where required a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

### *Buy-back of shares*

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities.

### *General meetings*

#### 42. MEETING OF MEMBERS

42.1 (a) Subject to Section 96 of the Act the Company shall in each year hold in addition to any other meetings a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next provided also that the Register may for any special reason extend the time within which any annual general meeting shall be held by a period not exceeding three months. (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated. 42.2 The Company shall in accordance with Section 92 of the Act within 60 days from the day on which the Annual General Meeting is held prepare and file with the Registrar an annual return together with the copy of the financial statements including consolidated financial statement if any along with all the documents which are required to be or attached to such financial statements under this act duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

#### DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

42.3 The General Meeting referred to in Article 22.3 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

#### 43. CALLING OF EXTRA-ORDINARY GENERAL MEETING

43.1 (1) The Board may whenever it deems fit call an extraordinary general meeting of the company. (2) The Board shall at the requisition made by such number of members who hold on the date of the receipt of the requisition not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote call an extraordinary general meeting of the company within the period specified in clause (4). (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company. (4) If the Board does not within twenty-one days from the date of receipt of a valid requisition in regard to any matter proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition. (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board. (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

### *Proceedings at general meetings*

#### 44. LENGTH OF NOTICE FOR CALLING MEETING

44.1 (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by central government Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting. (2) Every notice of a meeting shall specify the place date day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting. (3) The notice of every meeting of the company shall be given to a. every member of the company legal representative of any deceased member or the assignee of an insolvent member b. the auditor or auditors of the company and c. every director of the company. (4) Any accidental omission to give notice to or the non-receipt of such

notice by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

## EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE

### SPECIAL BUSINESS

44.1 (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting shall be annexed to the notice calling such meeting namely - (a) the nature of concern or interest financial or otherwise if any in respect of each item of (i) every director and the manager if any (ii) every other key managerial personnel and (iii) relatives of the persons mentioned in sub-clauses (i) and (ii) (b) any other information and facts that may enable members to understand the meaning scope and implications of the items of business and to take decision thereon. (2) For the purposes of clause (1) (a) in the case of an annual general meeting all business to be transacted thereat shall be deemed special other than (i) the consideration of financial statements and the reports of the Board of Directors and auditors (ii) the declaration of any dividend (iii) the appointment of directors in place of those retiring (iv) the appointment of and the fixing of the remuneration of the auditors And (b) in the case of any other meeting all business shall be deemed to be special; Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company the extent of shareholding interest in that other company of every promoter director manager if any and of every other key managerial personnel of the first mentioned company shall if the extent of such shareholding is not less than two per cent. of the paid-up share capital of that company also be set out in the statement. (3) Where any item of business refers to any document which is to be considered at the meeting the time and place where such document can be inspected shall be specified in the statement under sub-clause (1). No General Meeting Annual or Extra-ordinary shall be competent to enter upon discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

### 45. QUORUM

45.1 (1) The quorum for a General Meeting of the Company shall be as under (i) five members personally present if the number of members as on the date of meeting is not more than one thousand or (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand or (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand shall be the quorum for a meeting of the company. (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company (a) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine or (b) the meeting if called by requisitionists under section 100 shall stand cancelled Provided that in case of an adjourned meeting or of a change of day time or place of meeting under clause (a) the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated. (3) If at the adjourned meeting also a quorum is not present within half-an-hour from the time appointed for holding meeting the members present shall be the quorum.

### 46. RESOLUTION PASSED AT ADJOURNED MEETING

46.1 Where a resolution is passed at an adjourned meeting of (a) a company or (b) the holders of any class of shares in a company or (c) the Board of Directors of a company the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

### 47. REGISTRATION OF RESOLUTIONS AND AGREEMENTS

47.1 The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

### 48. CHAIRMAN OF GENERAL MEETING

48.1 The Chairman of the Board shall if willing preside as Chairman at every General Meeting Annual or Extra-ordinary if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair the Directors present may choose one of their members to be Chairman and in default of their doing so the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair members shall on a show of hands elect one of their numbers to be Chairman of the meeting if a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the

powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll he shall be the Chairman for the rest of the meeting.

#### BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACAN

48.2 No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

#### *Adjournment of meeting*

#### 49. POWER OF ADJOURN GENERAL MEETING

49.1 (1) The Chairman of the General Meeting at which a quorum is present and shall if so directed by the meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (2) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. (3) Save as aforesaid it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

#### *Voting rights*

#### 50. RESOLUTION MUST BE PROPOSED AND SECONDED

50.1 No resolution submitted to a meeting unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

#### POSTAL BALLOT

50.2 (1) Notwithstanding anything contained in this Act the company (a) shall in respect of such items of business as the Central Government may by notification declare to be transacted only by means of postal ballot and (b) may in respect of any item of business other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting transact by means of postal ballot in such manner as may be determined by Central Government instead of transacting such business at a general meeting. (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot it shall be deemed to have been duly passed at a general meeting convened in that behalf.

#### 51. DECLARATION OF CHAIRMAN TO BE CONCLUSIVE

51.1 A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution.

#### 52. CIRCULATION OF MEMBERS RESOLUTION

52.1 (1) A company shall on requisition in writing of such number of members as required in section 100 (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting and (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting. (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless (a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signatures of all the requisitionist(s) is deposited at the registered office of the company (i) in the case of a requisition requiring notice of a resolution not less than six weeks before the meeting (ii) in the case of any other requisition not less than two weeks before the meeting and (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the company's expenses in giving effect thereto. Provided that if after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company an annual general meeting is called on a date within six weeks after the copy has been deposited the copy although not deposited within the time required by this sub-section shall be deemed to have been properly deposited for the purposes thereof. (3) The company shall not be bound to circulate any statement as required

by clause(b) of sub-section (1) if on the application either of the company or of any other person who claims to be aggrieved the Central Government by order declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.(4)An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists notwithstanding that they are not parties to the application.

### 53. VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

53.1 Subject to the provisions of the Act and these Articles votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under section 113 of the Act. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

### 54. VOTES OF MEMBERS

54.1 (1)Subject to the provisions of section 43 and sub-section (2) of section 50 -(a) every member of a company limited by shares and holding equity share capital therein shall have a right to vote on every resolution placed before the company and(b)his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.(2)Every member of a company limited by shares and holding any preference share capital therein shall in respect of such capital have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

#### RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

54.2 On a poll being taken at meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not if he votes use all his votes or cast in the same way all the votes he uses.

#### REPRESENTATION OF BODY CORPORATE

54.3 Pursuant to section 113 a body corporate whether a Company within meaning of the Act or not may if it is a member or creditor of the Company including being a holder of debentures may authorize such person by a resolution of its Board of Directors as it thinks fit to act as its representative at any meeting of members and creditors of the Company.

#### REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

54.4The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same. A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise as member of the Company.

#### RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

55.1No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and or has exercised its right of lien.

## RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

55.2 A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken or on any other ground not being a ground set out in Article 55.1.

## 56. HOW MEMBER NON-COMPOS MENTIS MAY VOTE

56.1 If any member be a lunatic or non-compos mentis the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty-eight hours before the time of holding a meeting.

### *Proxy*

57. INSTRUMENT OF PROXY 57.1 The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or attorney duly authorized by it.

## INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

57.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

## 58. WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

58.1 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

59. FORM OF PROXY 59.1 Every instrument of proxy whether for specified meeting or otherwise shall as nearly as circumstances will admit be in the form Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014.

## TIME FOR OBJECTION TO VOTE

59.2 No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

## CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE

59.3 The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF

59.4 A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable.

## ***Board of Directors***

### **60. DIRECTORS**

60.1 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act the number of Directors shall not be less than three nor more than fifteen. 2) As on the date of adoption of this Articles of Association following are the directors of the company 1. Mr. Akshay Makhija Director (Executive) 2. Mr. Ajay Makhija Director (Executive) 3. Mr. Shankar Arya Director (Non-Executive) 4. Ms. Devyani Chhajed Independent Director (Non-Executive) 5. Ms. Anjali Jain Independent Director (Non-Executive)

#### **BOARD OF DIRECTORS**

60.2 The following shall be the First Directors of the Company. 1. Mr. Akshay Makhija 2. Mr. Ajay Makhija

#### **INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

60.3 The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

#### **POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS**

60.4 The Board of Directors shall have the power to appoint any person other than a person who fails to get appointed as a director in a general meeting as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held whichever is earlier.

#### **ALTERNATE DIRECTORS**

60.5 The Board of Directors shall have the power to appoint a person not being a person holding any alternate directorship for any other director in the company to act as an alternate director for a director during his absence for a period of not less than three months from India Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India Provided also that if the term of office of the original director is determined before he so returns to India any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original and not to the alternate director.

#### **NOMINEE DIRECTORS**

60.6 The Board shall have the power to appoint any person as a director nominated by any institution in Pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company. If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course the resulting casual vacancy may in default of and subject to any regulations in the articles of the company be filled by the Board of Directors at a meeting of the Board Provided that any person so appointed shall hold office only up to the date up to which the director in whose place, he is appointed would have held office if it had not been vacated. 60.7A Director need not hold any qualification shares.

### **61. REMUNERATION OF DIRECTORS**

61.1 (1) Subject to the provisions of the Act a Managing Director or any other Director who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. (2) Subject to the provisions of the Act a Director who is neither in the Whole-time employment not a Managing

Director may be paid remuneration. (i) by way of monthly quarterly or annual payment with the approval of the Central Government or (ii) by way of commission if the Company by a special resolution authorises such payments. (3) The fees payable to Director (including a Managing or whole-time Director if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time however the amount thereof shall not exceed limit provided in the Companies Act 2013 and rules if any framed there under. (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

#### INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

61.2 Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government the same shall become void and not enforceable against the Company.

#### TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANYS BUSINESS

61.3 The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting such sum as the Board may consider fair compensation or for traveling boarding lodging and other expenses in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Companys business he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

#### DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

61.4 The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

#### DISCLOSURE OF INTEREST OF DIRECTORS

61.5 (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made then at the first Board meeting held after such change disclose his concern or interest in an company or companies or bodies corporate firms or other association of individuals which shall include the shareholding in such manner as may be determined by central government. (2) Every director of a company who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into with a body corporate in which such director or such director in association with any other director holds more than two per cent. shareholding of that body corporate or is a promoter manager Chief Executive Officer of that body corporate or b. with a firm or other entity in which such director is a partner owner or member as the case may be shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement he shall if he becomes concerned or interested after the contract or arrangement is entered into disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested. (3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way directly or indirectly in the contract or arrangement shall be voidable at the option of the company. (4) Nothing in this Article- (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company (b) shall apply to any

contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

#### INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARDS PROCEEDINGS

61.6 No Director of the Company shall as Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

#### BOARDS SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS

##### IN WHICH PARTICULAR DIRECTOR IS INTERESTED

61.7 1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable the Company shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder (i) for the sale purchase or supply of any goods materials or services or (ii) selling or otherwise disposing of or buying property of any kind (iii) leasing of property of any kind (iv) availing or rendering of any services (v) appointment of any agent for purchase or sale of goods materials services or property (vi) such Related Party's appointment to any office or place of profit in the Company its subsidiary company or associate company (vii) underwriting the subscription of any securities or derivatives thereof of the Company 2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. 3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may in circumstances of urgent necessity enter without obtaining the consent of the Board into any contract with the Company but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3)) 4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act. 5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

#### 62. SPECIAL DIRECTOR

62.1 In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and or machinery or technical advice the directors may authorize such company corporation firm or person herein-after in this clause referred to as collaborator to appoint from time to time any person as director of the company (hereinafter referred to as special director) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter. The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

#### DIRECTORS SITTING FEES

62.2 The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by central government by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

#### DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

62.3 Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor purchaser lender agent broker lessor or lessee or Otherwise nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby established but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179 180 184 185 186 188 189 and 196 of the Act shall be duly observed and complied with.

### 63. DISQUALIFICATION OF THE DIRECTOR

63.1 (1)A person shall not be eligible for appointment as a director of a company if -(a)he is of unsound mind and stands so declared by a competent court(b)he is an undischarged insolvent(c)he has applied to be adjudicated as an insolvent and his application is pending(d)he has been convicted by a court of any offence whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more he shall not be eligible to be appointed as a director in any company(e)an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force(f)he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call(g)he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years or(h)he has not complied with sub-section (3) of section 152.(2)No person who is or has been a director of a company which (a)has not filed financial statements or annual returns for any continuous period of three financial years or(b)has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

### DIRECTORS VACATING OFFICE

63.2 The office of a Director shall be vacated if (i)he is found to be of unsound mind by a Court of competent jurisdiction (ii)he applied to be adjudicated an insolvent (iii)he is adjudicated an insolvent (iv)he is convicted by a Court of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more he shall not be eligible to be appointed as a director in any company (v)he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure (vi)he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board (vii)he is removed in pursuance of Section 169 of Act (viii)having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company (ix)he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested (x)he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested in contravention of the provisions of section 184.

### 64. DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY

64.1 Subject to provisions of Section 203 of the Act a Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor shareholder or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197or Section 188 of the Act may be applicable.

### RETIREMENT AND ROTATION OF DIRECTORSRETIREMENT OF DIRECTORS BY ROTATION

64.2 (1) (a) At every Annual General Meeting not less than two-thirds of the total number of directors of a company shall -(i) be persons whose period of office is liable to determination by retirement of directors by rotation and(ii) save as otherwise expressly provided in this Act be appointed by the company in general meeting.(b)The remaining directors in the case of any such company shall in default of and subject to any regulations in the articles of the company also be appointed by the company in general meeting.(c)At the first annual general meeting of a public company held next after the date of the general meeting at which

the first directors are appointed in accordance with clauses and (b) and a every subsequent annual general meeting one- third of such of the directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three then the number nearest to one-third shall retire from office.(d)The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who became directors on the same day those who are to retire shall in default of and subject to any agreement among themselves be determined by lot.(e)At the annual general meeting at which a director retires as aforesaid the company may fill up the vacancy by appointing the retiring director or some other person thereto.(2) (a)If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a national holiday till the next succeeding day which is not a holiday at the same time and place.(b)If at the adjourned meeting also the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring director shall be deemed to have been re-appointed at the adjourned meeting unless1.at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost 2.the retiring director has by a notice in writing addressed to the company or its Board of directors expressed his unwillingness to be so re-appointed 3.he is not qualified or is disqualified for appointment 4.a resolution whether special or ordinary is required for his appointment or re- appointment by virtue of any provisions of this Act or 5.section 162 is applicable to the case.

#### APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY

64.3 1)At a general meeting of a company a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.2)A resolution moved in contravention of sub-section (1) shall be void whether or not any objection was taken when it was moved.3)A motion for approving a person for appointment or for nominating a person for appointment as a director shall be treated as a motion for his appointment.

#### PERSON WHO IS NOT A RETIRING DIRECTOR

64.4 (1)A person who is not a retiring director in terms of section 152 shall subject to the provisions of this Act be eligible for appointment to the office of a director at any general meeting if he or some member intending to propose him as a director has not less than fourteen days before the meeting left at the registered office of the company a notice in writing under his hand signifying his candidature as a director or as the case may be the intention of such member to propose him as a candidate for that office along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or as the case may be to the member if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution. (2)The company shall inform its members of the candidature of a person for the office of director under sub-section

(1) in such manner as may be determined by central government.

#### RESIGNATION OF DIRECTOR

64.5 1)A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by central government.2)The resignation of a director shall take effect from the date on which the notice is received by the company or the date if any specified by the director in the notice whichever is later Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.3)Where all the directors of a company resign from their offices or vacate their offices under Section 167 of the Act the promoter or in his absence the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

#### 65. REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

65.1The Company shall keep at its registered office a Register of Director Managing Director Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors Managing

Directors Manager Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

#### APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS

65.2 a. The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Directors and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. b. Subject to the provisions of Section 161 of the Act if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

#### 66. REMOVAL OF DIRECTORS

66.1 1)A company may by ordinary resolution remove a director not being a director appointed by the Tribunal under section 242 before the expiry of the period of his office after giving him a reasonable opportunity of being heard Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.2)A special notice shall be required of any resolution to remove a director under this section or to appoint somebody in place of a director so removed at the meeting at which he is removed.3)On receipt of notice of a resolution to remove a director under this section the company shall forthwith send a copy thereof to the director concerned and the director whether or not he is a member of the company shall be entitled to be heard on the resolution at the meeting.4)Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company the company shall if the time permits it to do so(a) in any notice of the resolution given to members of the company state the fact of the representation having been made and(b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the company or of any other person who claims to be aggrieved the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it. 5)A vacancy created by the removal of a director under this section may if he had been appointed by the company in general meeting or by the Board be filled by the appointment of another director in his place at the meeting at which he is removed provided special notice of the intended appointment has been given under sub-section (2).6)A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.7)If the vacancy is not filled under sub-section (5) it may be filled as a casual vacancy in accordance with the provisions of this Act Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.8)Nothing in this section shall be taken -(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director or of any other appointment terminating with that as director or(b) as derogating from any power to remove a director under other provisions of this Act.

#### ELIGIBILITY FOR RE- ELECTION

66.2 A retiring Director shall be eligible for re-election.

#### *Proceedings of the Board*

#### 67. PROCEEDINGS OF DIRECTORS MEETINGS OF BOARD

67.1 1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board Provided that the Central Government may by notification direct that the provisions of this sub section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions modifications or conditions as may be specified in the notification.2)The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means

as may be determined by central government which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time Provided that the Central Government may by notification specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.3)A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director if any shall be present at the meeting Provided further that in case of absence of independent directors from such a meeting of the Board decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director if any.

#### QUORUM

67.2 1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors whichever is higher and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum under this sub-section. 2) The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company and for no other purpose. 3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors the number of directors who are not interested directors and present at the meeting being not less than two shall be the quorum during such time.4)Where a meeting of the Board could not be held for want of quorum then unless the articles of the company otherwise provide the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday till the next succeeding day which is not a national holiday at the same time and place.

#### 68. DECISION OF QUESTIONS

68.1 Subject to the provisions of the Act question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

#### BOARD MAY APPOINT CHAIRMAN CO-CHAIRMAN AND VICE CHAIRMAN

68.2 The Board may elect a Chairman a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting whether Annual or Extraordinary or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting the Directors present may choose one of their members to be the Chairman of the Meeting.

#### POWER OF BOARD MEETING

68.3 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

68.4 Subject to the restrictions contained in Section 179 of the Act the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time-to-time revoke and discharge any such committee of the Board so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.

#### MEETING OF THE COMMITTEE HOW TO BE GOVERNED

68.5 The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

## DEFECTS IN APPOINTMENT OF DIRECTORS

### NOT TO INVALIDATE ACTIONS TAKEN

68.6 No act done by a person as a director shall be deemed to be invalid notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

### 69. PASSING OF RESOLUTION BY CIRCULATION

69.1 1)No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft together with the necessary papers if any to all the directors or members of the committee as the case may be at their addresses registered with the company in India by hand delivery or by post or by courier or through such electronic means as may be determined by central government and has been approved by a majority of the directors or members who are entitled to vote on the resolution Provided that where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting the chairperson shall put the resolution to be decided at a meeting of the Board.2)A resolution under subsection above shall be noted at a subsequent meeting of the Board or the committee thereof as the case may be and made part of the minutes of such meeting.

### SPECIAL NOTICE

69.2 Where by any provision contained in the Act or in these Articles special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which aggregate sum not exceeding five lakh rupees as may be prescribed has been paid-up not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

### 70. GENERAL POWERS OF THE BOARD

70.1 1)The Board of Directors of a company shall be entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do Provided that in exercising such power or doing such act or thing the Board shall be subject to the provisions contained in that behalf in this Act or in the memorandum or articles or in any regulations not inconsistent therewith and duly made there under including regulations made by the company in general meeting Provided further that the Board shall not exercise any power or do any act or thing which is directed or required whether under this Act or by the memorandum or articles of the company or otherwise to be exercised or done by the company in general meeting.2)No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

### 71. CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

71.The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board namely - (a)to make calls on shareholders in respect of money unpaid on their shares (b)to authorize buy-back of securities under section 68 (c)to issue securities including debentures whether in or outside India (d)to borrow monies (e)to invest the funds of the company (f)to grant loans or give guarantee or provide security in respect of loans (g)to approve financial statement and the Boards report (h)to diversify the business of the company (i)to approve amalgamation merger or reconstruction (j)to take over a company or acquire a controlling or substantial stake in another company (k)to make political contributions (l)to appoint or remove key managerial personnel (KMP) (m)to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel (n)to appoint internal auditors and secretarial auditor (o)to take note of disclosure of directors interest and shareholding (p)to buy sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company (q)to invite and accept or renew public deposits and related matters (r)to review or change the terms and conditions of public deposit (s)to approve quarterly half yearly and annual financial statements or financial results as the case may be. Provided that the Board may by a resolution passed at a meeting delegate to any committee of directors the managing director the manager or any other principal officer of the company or in the case of a branch office of the company the principal officer of the branch office the powers specified in clauses (d) to (f) on such conditions as it may specify Nothing in this section shall be deemed to affect the right of the company in

general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

## 72. RESTRICTIONS ON POWERS OF BOARD

72.1 1)The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution namely -a.to sell lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole or substantially the whole of any of such undertakings.b.to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamationc.to borrow money where the money to be borrowed together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves apart from temporary loans obtained from the company's bankers in the ordinary course of business Provided that the acceptance by a banking company in the ordinary course of its business of deposits of money from the public repayable on demand or otherwise and with drawable by cheque draft order or otherwise shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.d.to remit or give time for the repayment of any debt due from a director.2)Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.3)Nothing contained in clause (a) of sub-section (1) shall affect (a)the title of a buyer or other person who buys or takes on lease any property investment or undertaking as is referred to in that clause in good faith or(b)the sale or lease of any property of the company where the ordinary business of the company consists of or comprises such selling or leasing.4)Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution including conditions regarding the use disposal or investment of the sale proceeds which may result from the transactions Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act. 5)No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

## 73. POWER TO BORROW

73.1 Subject to the provisions of Sections 73 and 180 of the Act the Board may from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

73.2All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

### THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

73.3The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and

in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds debentures or debentures stock of the Company charged upon all or any part of the property of the Company (both present and future) including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### BONDS DEBENTURES ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

73.4Any bonds debentures debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Provided that bonds debentures debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

### CONDITION ON WHICH MONEY MAY BE BORROWED

73.5 The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds perpetual or redeemable

debenture-stock or any mortgage charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

#### TERMS OF ISSUE OF DEBENTURES

73.6 Any debentures debenture-stock or other securities may be issued at a discount premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption surrender drawing allotment of shares attending (but not voting) at the General Meeting appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

#### DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

73.7 1)A company may issue debentures with an option to convert such debentures into shares either wholly or partly at the time of redemption Provided that the issue of debentures with an option to convert such debentures into shares wholly or partly shall be approved by a special resolution passed at a general meeting.2)No company shall issue any debentures carrying any voting rights.3)Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.4)Where debentures are issued by a company under this section the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.5)No company shall issue a Draft Prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures unless the company has before such issue or offer appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by central government.6)A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by central government.7)Any provision contained in a trust deed for securing the issue of debentures or in any contract with the debenture-holders secured by a trust deed shall be void in

so far as it would have the effect of exempting a trustee thereof from or indemnifying him against any liability for breach of trust where he fails to show the degree of care and due diligence required of him as a trustee having regard to the provisions of the trust deed conferring on him any power authority or discretion Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three-fourths in value of the total debentures at a meeting held for the purpose.8)A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.9)Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due the debenture trustee may file a petition before the Tribunal and the Tribunal may after hearing the company and any other person interested in the matter by order impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.10)Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due the Tribunal may on the application of any or all of the debenture-holders or debenture trustee and after hearing the parties concerned direct by order the company to redeem the debentures forthwith on payment of principal and interest due thereon.11)If any default is made in complying with the order of the Tribunal under this section every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees or with both.12)A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.13)The Central Government may prescribe the procedure for securing the issue of debentures the form of debenture trust deed the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof quantum of debenture redemption reserve required to be created and such other matters.

#### EXECUTION OF INDEMNITY

73.8 If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company the Board may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### 74. CERTAIN POWERS OF THE BOARD

74.1 Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers but subject however to the provisions of the Act it is hereby expressly declared that

the Board shall have the following powers 1) To pay the costs charges and expenses preliminary and incidental to the promotion formation establishment and registration of the Company. 2) Subject to Sections 179 and 188 and other applicable provisions of the Act to purchase or otherwise acquire for the Company any property movable or immovable rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory. 3) At its discretion and subject to the provisions of the Act to pay for any property rights privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares bonds debentures mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds debentures mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges. 4) To secure the fulfillment of any contracts agreements or engagements entered into by the Company by mortgage of charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. 5) To appoint and at its discretion remove or suspend such managers secretaries' officers clerks agents and employees for permanent temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries emoluments remuneration and to require security in such instances and of such amounts as it may think fit. 6) To accept from any member subject to the provisions of the Act a surrender of his share or any part thereof on such terms and condition as shall be agreed. 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees. 8) To institute conduct defend compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein. 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards. 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency. 11) To make and give receipts releases and other discharges for money payable to the Company and for the claims and demands of the Company. 12) To open and operate Bank Accounts to determine from time to time who shall be entitled to sign on the Company's behalf bills notes receipts acceptances endorsements cheques dividend warrants releases contracts and documents and to give the necessary authority for such purposes. 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub- delegate) and upon such terms as may be thought fit. 14) Subject to the provisions of Sections 179 180 185 of Act and other applicable provisions of the Act and these Articles to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act all investments shall be made and held in the Company's own name. 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers covenants and provisions as shall be agreed upon. 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company. 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses dwellings or chawls or by grants of money pension gratuity annuities allowances bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations institutions funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations hospitals and dispensaries medical and other attendance and other assistance as the Board shall think fit. 18) To subscribe incur expenditure or otherwise to assist or to guarantee money to charitable benevolent religious scientific national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise. 19) Before recommending any dividend to set aside out of the profits of the Company such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing improving extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company in such manner for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or

repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper. 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of the Act and of the provision contained in these presents. 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company its officers and servants. 22) To redeem redeemable preference shares. 23) Subject to provisions of the Act for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### 75. APPOINTMENT OF INDEPENDENT DIRECTOR

75.1 Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by central government by the Central Government. Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director give a declaration that he meets the criteria of independence. Notwithstanding anything contained in any other provision of this Act but subject to the provisions of sections 197 and 198 an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197 reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members. Subject to the provisions of section 152 an independent director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. No independent director shall hold office for more than two consecutive terms but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director Provided that an independent director shall not during the said period of three years be appointed in or be associated with the company in any other capacity either directly or indirectly. Notwithstanding anything contained in this Act (i) an independent director (ii) a non-executive director not being promoter or key managerial personnel shall be held liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge attributable through Board processes and with his consent or connivance or where he had not acted diligently. The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

#### 76. MINUTES

76.1 1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that their pages consecutively numbered. 2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed. (a) in the case of minutes of proceedings of a meeting of the Board or of a committee hereof by the Chairman of the next succeeding meeting. (b) In the case of minutes of proceedings of a General Meeting by the chairman of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

76.2 Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 80.1 above shall be evidence of the proceedings recorded therein.

76.3 Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 80.2 above then until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.

76.4 1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday. 2) Any

member of the Company shall be entitled to be furnished within seven days after he has made a request in writing in that behalf to the Company with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied. 3)In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. 4)The minutes of different meetings shall contain a fair and correct summary of proceedings thereat. 5)All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting. 6)In the case of a meeting of the Board of Directors or of a committee of the Board the minutes shall also contain -(a)the names of the directors present at the meeting and(b)in the case of each resolution passed at the meeting the names of the directors if any dissenting from or not concurring with the resolution.7)Nothing contained in clauses (1) to (6) there shall not be included in the minutes any matter which in the opinion of the Chairman of the meeting (a)is or could reasonably be regarded as defamatory of any person or(b)is irrelevant or immaterial to the proceedings or(c)is detrimental to the interests of the company. The Chairman shall exercise and absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

#### PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED

76.5 Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

#### *Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer*

#### 77. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

77.1 1) Subject to the provisions of Sections 203 and other applicable provisions if any of the Act Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. 2)A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act shall within a period of six months from such commencement choose one company in which he wishes to continue to hold the office of key managerial personnel Provided also that a company may appoint or employ a person as its managing director if he is the managing director or manager of one and of not more than one other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting and of the resolution to be moved thereat specific notice has been given to all the directors then in India. 3)If the office of any whole-time key managerial personnel is vacated the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

#### REMUNERATION OF KEY MANAGERIAL PERSONNEL

77.2 The remuneration of Key Managerial Personnel shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

#### DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

77.3 Subject to the provisions of the Act and to the restrictions contained in these Articles Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

77.4 No company shall appoint or continue the employment of any person as managing director whole-time director or manager who (a) is below the age of twenty-one years or has attained the age of seventy years Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person (b) is an undischarged insolvent or has at any time been adjudged as an insolvent (c) has at any time suspended payment to his creditors or makes or has at any time made a composition with them or (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months. A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

77.5 Special to any contract between him and the Company a Managing or Wholetime Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause. 77.6The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely- a) Managing Director and b) Manager and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

## 78. THE SECRETARY

78.1 The Board may from time to time appoint and at its discretion remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

### *The Seal*

## 79. THE SEAL ITS CUSTODY AND USE

79.1 The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

### *Dividends and Reserve*

## 80. DIVIDENDS

80.1 1) No dividend shall be declared or paid by a company for any financial year except a)out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed or out of both or b)out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government Provided that a company may before the declaration of any dividend in any financial year transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company Provided further that where owing to inadequacy or absence of profits in any financial year any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves such declaration of dividend shall not be made except in accordance with such rules as may be determined by central government in this behalf Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves. 2)The depreciation shall be provided in accordance with the provisions of Schedule II of the act.3)The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date

of declaration of interim dividend such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.4)The amount of the dividend including interim dividend shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.5)No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company Provided further that any dividend payable in cash may be paid by cheque or warrantor in any electronic mode to the shareholder entitled to the payment of the dividend.6)A company which fails to comply with the provisions of sections 73 and 74 shall not so long as such failure continues declare any dividend on its equity shares.

#### DIVIDEND TO JOINT HOLDERS

80.2 Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

80.3 Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

#### APPORTIONMENT OF DIVIDENDS

80.4 All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

#### 81. DECLARATION OF DIVIDENDS

81.1 The Company in General Meeting may subject to the provisions of Section 123 of the Act declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

#### RESTRICTION ON AMOUNT OF DIVIDEND

81.2. No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend.

#### DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

81.2 1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

#### INTERIM DIVIDENDS

81.3 The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

#### DEBTS MAY BE DEDUCTED

81.4 The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts liabilities or engagements in respect of which lien exists.

#### DIVIDEND AND CALL TOGETHER

81.5 Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may if so arranged between the Company and the member be set off against the call.

## 82. EFFECT OF TRANSFER

82.1 Right to dividend right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

### RETENTION IN CERTAIN CASES

82.2 The Board may retain the dividends payable upon share in respect of which any person is under Articles entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

## 83. NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED

### TO THE COMPANY AND COMPANYS RIGHT TO REIMBURSEMENT THERE OUT

83.1 No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

## 84. PAYMENT BY POST

84.1 Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may if it thinks fit call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

## 85. DIVIDEND TO BE PAID WITHIN THIRTY DAYS

85.1 The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless (a) the dividend could not be paid by reason of the operation of any law or (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or (c) there is dispute regarding the right to receive the dividend or (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or (e) for any other reason the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

## 86. UNPAID OR UNCLAIMED DIVIDEND

86.1 1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend the company shall within seven days from the date of expiry of the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account. 2) The company shall within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account prepare a statement containing the names their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company if any and also on any other website approved by the Central Government for this purpose in such form manner and other particulars as may be determined by central government. 3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company it shall pay from the date of such default interest on so much of the amount as has not been transferred to the said account at

the rate of twelve per cent. per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.5)Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued if any thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.6)All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

## 87. FRACTIONAL CERTIFICATES

87.1 (1) Whenever such a resolution as aforesaid shall have been passed the Board shall (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit in the case of Shares becoming distributable in fractions also (b)to authorize any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing

Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)that for the purpose of giving effect to any resolution under the preceding paragraph of this Article the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

## 88. DIVIDEND IN CASH

88.1No dividends shall be payable except in cash provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

### *Accounts*

## 89. BOOKS OF ACCOUNTSBOOKS OF ACCOUNTS TO BE KEPT

89.1 The Company shall cause to be kept proper books of account with respect to (i)all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place (ii)all sales and purchases of goods and services by the company (iii)the assets and liabilities of the company and(iii)the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section

### BOOKS WHERE TO BE KEPT AND INSPECTION

89.2 1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company including that of its branch office or offices if any and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken the company shall within seven days thereof file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government. 2)Where a company has a branch office in India or outside India it shall be deemed to have complied with the provisions of sub-clause (1) if proper books of account relating to the transactions effected at the branch

office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1). 3)The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order. 4)The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### INSPECTION BY MEMBERS

89.3 Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

89.4 The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer books the Register of members or Register of debenture holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. If the transfer books have not been closed at any time during a year the Company shall at least once a year close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and or record dates would be at least 30 (thirty) days.

#### STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

89.5 The Board of Directors shall from time to time in accordance with Sections 129 and 134 of the Act cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets Profits Loss Accounts and reports as are required by these Sections.

#### FINANCIAL STATEMENT

89.6 Subject to the provisions of Section 129 of the Act every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act. If in the opinion of the Board any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated the fact that the Board is of that opinion shall be stated.

#### AUTHENTICATION OF FINANCIAL STATEMENT

89.7 The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement shall be approved by the Board of Directors before they are submitted to the auditors for report thereon Profit and Loss Accounts to be Annexed and Auditors Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors Report including the Auditors separate special or supplementary report if any shall be attached thereon.

#### BOARDS REPORT TO BE ATTACHED TO FINANCIAL STATEMENT

89.8 Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report on every reservation qualification or adverse remark contained in the Auditors Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company

by virtue of sub-clauses (a) and (b) of Article 89.12. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

#### RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITORS REPORT

89.9 A copy of every Financial Statement and the auditors report and every other document required by law to be annexed or attached as the case may be to the balance sheet which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them by those who are not so entitled.

#### A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

89.10 After the Financial Statements have been laid before the Company at the annual general Meeting a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

89.11 (1) Without prejudice to the provisions of section 101 a copy of the financial statements including consolidated financial statements if any auditors report and every other document required by law to be annexed or attached to the financial statements which are to be laid before a company in its general meeting shall be sent to every member of the company to every trustee for the debenture-holder of any debentures issued by the company and to all persons other than such member or trustee being the person so entitled not less than twenty-one days before the date of the meeting. The provisions of this clause shall be deemed to be complied with if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents as the company may deem fit is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements. The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by central government and company shall also place its financial statements including consolidated financial statements if any and all other documents required to be attached thereto on its website which is maintained by or on behalf of the company. Provided also that every subsidiary or subsidiaries shall (a) place separate audited accounts in respect of each of its subsidiary on its website if any (b) provide a copy of separate audited financial statements in respect of each of its subsidiary to any shareholder of the company who asks for it. (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

#### ACCOUNTS TO BE AUDITED

89.12 (1) Once at least in every year the account of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review. (2) The appointment remuneration rights powers duties of the company's Auditor shall be regulated in accordance with the provision of the Act.

#### APPOINTMENT OF AUDITORS

89.13 (1) Auditors shall be appointed and their qualifications rights and duties regulated in accordance with Section 139 to 143 145 and 146 of the Act and rules made thereunder. (2) The Company shall at the first annual general meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act. Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting. Provided further that before such appointment is made the written consent of the auditor to such appointment and a certificate from him or it that the appointment if made shall be in accordance with the conditions as may be determined by central government shall be obtained from the auditor Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 Provided also that the company shall inform the auditor concerned of his or its appointment and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless (a) he is not disqualified for re-appointment (b) he has not given the company a notice in writing of his unwillingness to be re- appointed and (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed. (4) The company shall not appoint or reappoint - (a) an individual as auditor for more than one term of five consecutive years and (b) an audit firm as auditor for more than two terms of five consecutive years Provided that(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.(ii) an audit firm which has completed its term under clause (b) shall not be eligible for re- appointment as auditor in the same company for five years from the completion of such term.(5) Where at any annual general meeting no auditor is appointed or re-appointed the existing auditor shall continue to be the auditor of the company.

#### POWER OF BOARD TO MODIFY FINAL ACCOUNTS

89.14 Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

#### DOCUMENTS AND NOTICES SERVICES OF DOCUMENTS ON MEMBER BY COMPANY

89.15 Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address or by such electronic or other mode as may be determined by central government Provided that a member may request for delivery of any document through a particular mode for which he shall pay such fees as may be determined by the company in its annual general meeting.

#### SERVICE OF DOCUMENTS ON COMPANY

89.16A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government Provided that where securities are held with a depository the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

#### SERVICE OF DOCUMENTS ON THE COMPANY

89.17 Where securities are held in a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

#### AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

89.18 Save as otherwise expressly provided in the Act the rules made thereunder and these Articles a document or proceeding requiring authentication by a company or contracts made by or on behalf of a company may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

#### REGISTERS AND DOCUMENTS REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

89.19 The Company shall keep and maintain registers books and documents required by the Act or these Articles including the following (a) Register of investments made by the Company but not held in its own name as required by Section 187(3) of the Act. (b) Register of mortgages and charges as required by Section 85 of the Act. (c) Register and index of Member and debenture holders as required by Section 88 of the Act. (d) Register of contracts with companies and firms in which Directors are interested as required by Section 189 of the Act. (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act. (f) Register of loans guarantee security and acquisition made by the company under Section 186 (9) of the Act. (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

#### MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

89.20 Without prejudice to any other provisions of this Act any document record register minutes etc. (a) required to be kept by a company or (b) allowed to be inspected or copies to be given to any person by a company under this Act may be kept or inspected or copies given as the case may be in electronic form in such form and manner as may be determined by the Central Government.

#### 90. WINDING UP DISTRIBUTION OF ASSETS

90.1 (a) If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the sanction of a Special Resolution divide amongst the contributories in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator with the like sanction shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act. (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

#### RIGHT OF SHAREHOLDERS IN CASE OF SALE

90.2 A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

#### *Indemnity*

#### 91. INDEMNITY

91.1 Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### *Others*

#### 92. SECRECY CLAUSE

92.1 No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of a trade secret mystery or trade secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

92.2 Every Director Manager Auditor Treasurer Trustee Member of a Committee agents officer servant accountant or other person employed in the business of the Company shall when required sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting of the shareholders if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

#### KNOWLEDGE IMPLIED

92.3 Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

Declaration: Pursuant to resolution no. 6 dated 14/08/2023 I, on behalf of Board of Directors, declare that following amendments have been adopted in Article of Association: *The existing Articles of Association (AOA) of the Company be replaced with a revised set of Articles of Association, in accordance with the provisions of the Companies Act, 2013, and the subsequent mandatory requirements of the new MCA V3 portal. This revision is necessary to incorporate the relevant provisions of the Companies Act, 2013, and SEBI Regulations that are applicable to a public limited company. This action is essential to facilitate the conversion of the Company to a Public Limited entity and subsequently enable its listing on a recognized Stock Exchange through Special Resolution passed at the EGM held on 06.09.2023.*

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the registered Office of our Company located at 309/1/1/8 Block No.03, Mangal Udhog Nagar, Gram Palda, Indore-452020, Madhya Pradesh, India from date of filing the Prospectus with RoC till the Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### **Material Contracts**

- 1) Memorandum of Understanding dated October 05, 2023 between our Company and the Lead Manager to the Issue.
- 2) Registrar Agreement dated October 05, 2023 between our Company and the Registrar to the Issue.
- 3) Underwriting Agreement dated January 16, 2024 between our Company and Underwriters- Lead Manager and Market Maker.
- 4) Market Making Agreement dated January 16, 2024 between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated September 13, 2023.
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated September 15, 2023.
- 7) Escrow Agreement dated January 15, 2024 signed between our Company, the Lead Manager, Banker(s) to the Issue/ Escrow Collection Bank(s) and the Registrar to the Issue.

#### **Material Documents**

- 1) Certified true copy of the certificates of incorporation date December 16, 2009 under the name of Italian Edibles Private Limited.
- 2) Certified true copy of the certificates of incorporation date September 21, 2023 under the name Italian Edibles Limited.
- 3) Certified true copy of the Memorandum and Articles of Association of our Company, including certificates of incorporation under the name of Italian Edibles Limited.
- 4) Certified true copy of resolution passed at the meeting of the Board of Directors of our Company dated September 25, 2023 authorizing the Fresh Issue of Equity Shares.
- 5) Certified true copy of special resolution of the shareholders passed at the Extra Ordinary General Meeting dated September 25, 2023 authorizing the Fresh Issue of Equity Shares.
- 6) Certified copy of Statement of Tax Benefits dated October 03, 2023, issued by M/S Maheshwari & Gupta, Chartered Accountants, and Independent Peer Review Certified Auditor to the Company.
- 7) Certified copy of Peer Review Auditor's Report dated September 21, 2023 issued by M/S Maheshwari & Gupta, Chartered Accountants, on the Restated Financial Statements included in this Prospectus.
- 8) Copy of Audit Report for Financial Years March 2023, 2022, 2021, 2020 and 2019 and for the period ended August 31, 2023
- 9) Certified copy of Deployment of fund Certificate dated January 23, 2024 issued by our Statutory Auditor M/S Maheshwari & Gupta, Chartered Accountants.
- 10) Certified copy of Key Performance Indicators (KPIs) Certificate dated October 03, 2023 issued by our Statutory Auditor, M/S Maheshwari & Gupta, Chartered Accountants.

- 11) Certified copy of Working capital requirement Certificate dated October 03, 2023 issued by our Statutory Auditor M/S Maheshwari & Gupta, Chartered Accountants.
- 12) Certified copy of Certificate Repayment of Loan dated January 25, 2024 issued by our Statutory Auditor, M/S Maheshwari & Gupta, Chartered Accountants.
- 13) Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Chief Executive Officer, the Lead Manager, the Registrar to the Issue, the Statutory Peer Reviewed Auditor, the Legal Advisor to the Issue, Market Maker(s), Underwriter(s), Bankers to the Company and the Banker to the Issue/ Escrow Collection Bank/ Refund Bank/ Sponsor Bank(s) to act in their respective capacities.
- 14) Copy of approval from NSE vide letter dated January 12, 2024 to use the name of NSE in this offer document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited.
- 15) Due Diligence Certificate dated October 12, 2023 from the Lead Manager to NSE.
- 16) Due Diligence Certificate dated January 25, 2024 from the Lead Manager to be submitted to SEBI.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

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

### SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY

**Name of the Directors**

**Signature**

**Mr. Ajay Makhija**

**Managing Director**

**DIN No.: 02847288**

**Sd/-**

**Mr. Akshay Makhija**

**Executive Director & Chief Executive Officer**

**DIN No.: 02787252**

**Sd/-**

**Mrs. Sneha Chinmay Khandelwal**

**Non-Executive Director**

**DIN No.: 10448569**

**Sd/-**

**Ms. Devyani Chhajed**

**Non-Executive Independent Director**

**DIN No.: 10276186**

**Sd/-**

**Ms. Anjali Jain**

**Non-Executive Independent Director**

**DIN No.: 07757314**

**Sd/-**

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

**Mr. Satyanarayan Rawat**

**Sd/-**

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Sunila Kalra**

**Sd/-**

**Place: Indore**

**Date: January 25, 2024**