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ITALIAN EDIBLES LIMITED
(Formerly 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. 112 of this Draft Prospectus.

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

ADDENDUM TO THE DRAFT PROSPECTUS DATED OCTOBER 12, 2023: NOTICE TO INVESTORS (THE "ADDENDUM")

OUR PROMOTERS: MR. AJAY MAKHIJA AND MR. AKSHAY MAKHIJA

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. 220 OF THIS DRAFT PROSPECTUS.

This is with reference to the Draft Prospectus filed by the Company with the National Stock Exchange of India Limited ("NSE"). Potential Applicants/Bidders may note the followings:

- 1) Under the heading titled "Risk Factor" beginning from page 20 of the Draft Prospectus, certain risk factors shall be amended and/ or updated and/ or added, as provided beginning on page 4 of the Addendum.
- 2) Under the heading titled "General Information" beginning from page 46 of the Draft Prospectus, certain risk factors shall be amended and/ or updated and/ or added, as provided beginning on page 5 of the Addendum.
- 3) Under the heading titled "Objects of the Issue" beginning from page 66 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 6 of the Addendum.
- 4) Under the heading titled "Business Overview" beginning from page 91 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 16 of the Addendum.
- 5) Under the heading titled "Our Management" beginning from page 120 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 18 of the Addendum.
- 6) Under the heading titled "Management's Discussion And Analysis Of Financial Conditions And Results Of Operations" beginning from page 184 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 20 of the Addendum.
- 7) Under the heading titled "Outstanding Litigations And Material Developments" beginning from page 194 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 22 of the Addendum.
- 8) Under the heading titled "Government and Other Approvals" beginning from page 198 of the Draft Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 24 of the Addendum.
- 9) The consequent changes and/ or additions as made in the respective above sections shall be accordingly disclosed in the Draft Prospectus wherever applicable.

The above additions and/ or amendments are to be read in conjunction with the Draft Prospectus, unless indicated otherwise, and accordingly their references in the Draft Prospectus stand amended pursuant to the Addendum to the Draft Prospectus. The information in the Addendum supplements the Draft Prospectus and updates the information in the Draft Prospectus, as applicable. However, please note that the Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Prospectus and the date thereof, and the information included in the Draft Prospectus will be suitably updated, including to the extent stated in the Addendum to the Draft Prospectus, as may be applicable in the Prospectus, as and when filed with ROC and the Stock Exchange.

The Addendum is filed with NSE and shall be made the respective websites NSE i.e. www.nseindia.com; Lead Manager at www.focl.in and the Issuer Company at : www.ofcoursegroup.com.

All capitalized terms used in the Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers

and sales are made.

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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For ITALIAN EDIBLES LIMITED

On behalf of the Board of Directors

Sd/-

Ajay Makhija

Managing Director

Place: Indore

Date: January 10, 2024

LEAD MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	FIRST OVERSEAS CAPITAL LIMITED 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India, Tel No.: +91 22 4050 9999; Email: mb@focl.in ; Investor Grievance Email: investorcomplaints@focl.in ; Website: www.focl.in Contact Person: Mr. Satish Sheth./Ms. Mala Soneji SEBI Registration No: INM000003671		BIGSHARE SERVICES PRIVATE LIMITED 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: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vinayak Morbale SEBI Registration No.: INR000001385

Italian Edibles Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has been filed the Draft Prospectus dated October 12, 2023 with NSE. The Draft Prospectus and the Addendum to the Draft Prospectus shall be available on the respective websites NSE i.e. www.nseindia.com; Lead Manager at www.focl.in and the Issuer Company at : www.ofcoursigroup.com. Potential Applicants/Bidders should note that investment in equity shares involves a high degree of risk and details relating to such risk, please see the section entitled "Risk Factors" beginning on page 20 of the Draft Prospectus. Potential Applicants/Bidders should not rely on the Draft Prospectus filed with NSE for making any investment decision.

Table of Contents	
RISK FACTORS	4
GENERAL INFORMATION	5
OBJECTS OF THE ISSUE	6
BUSINESS OVERVIEW	16
OUR MANAGEMENT	18
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS.....	20
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	22
GOVERNMENT AND OTHER APPROVALS	24
DECLARATION	26

RISK FACTORS

The following Risk Factors shall be amended and/ or updated and/or added under the section titled “Risk Factors” beginning from page 20 of the Draft Prospectus:

38) Information relating to our installed capacities and the historical capacity utilization of our manufacturing facilities included in this Draft 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 Draft Prospectus is disclosed based on certified 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 150 of the Draft 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.

GENERAL INFORMATION

The following disclosure shall be amended and/ or updated and/or added under the chapter titled “General Information” beginning from page 46 of the Draft Prospectus:

OUR BOARD OF DIRECTORS

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

Sr. No.	Name and Designation	DIN	Address
3.	Mrs. Sneha Chinmay Khandelwal Non-Executive Independent Director	10448569	93-A, Sudama Nagar, Narendra Tiwari Marg, Nr Sudama Nagar, Madhya Pradesh 452009

OBJECTS OF THE ISSUE

The following disclosure shall be amended and/ or updated and/or added under the chapter titled “Objects of the Issue” beginning from page 66 of the Draft Prospectus:

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 58 of this Draft 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
Net Proceeds of the Issue (Net Proceeds)	2585.60

Utilization of Funds and Means of Finance:

The proposed utilization of net proceeds is set forth below:

(Rs. In Lakhs)			
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 ⁽¹⁾	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	-
	Total	2235.60	350.00

(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 August 31, 2023, the same is certified by M/s Maheshwari & Gupta, Chartered Accountants vide their certificate date October 03, 2023:

Details of balance fund deployment

(Rs. In Lakhs)

Sr. No.	Objects of the Issue	Expenses Already Incurred till August 31, 2023	Amount Proposed to be Utilized from the Net Proceeds		Total
			FY 2023-24	FY 2024-25	
1.	Setting up of the proposed manufacturing unit ⁽¹⁾	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	5.00	75.00	-	80.00
	Total	5.00	2310.60	350.00	2665.60

(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 Draft 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 Draft 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:

Particular	Estimated Month of Commencement	Estimated Month of Completion
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 ⁽¹⁾	400.00	-	-	400.00	-

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
Construction of building and civil works ⁽²⁾	409.00	-	141.00	50.00	218.00
Plant and machineries	132.00	-	-	-	132.00
Contingent Expenditure @ 5% ⁽³⁾	20.00	-	20.00	-	-
Total	961.00	-	161.00	450.00	350.00

(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, Amplifies 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
	Total	409.00

(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 **
Total			132.05

*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 this Draft 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 Draft 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:

(Rs. in Lakhs)								
Sr. No.	Name of bank/ financial institution	Nature of Borrowing	Sanctioned Amount	Total outstanding amount as on September 30, 2023	Purpose of raising loan	ROI % (p.a.)	Pre-payment clause (if any)	Proposed to be repaid from IPO Proceed
1.	Aditya Birla Finance Ltd	Business Loan	50.00	11.61	Working Capital	15.50%	2%	11.61
2.	Axis Bank Ltd	Business Loan	40.00	5.10	Working Capital	15.00%	2%	5.10
3.	Fullerton India Credit Co. Ltd	Business Loan	50.00	9.43	Working Capital	15.50%	2%	9.43
4.	IDFC First Bank Limited	Business Loan	48.96	9.75	Working Capital	15.00%	2%	9.75
5.	Srestha Finvest Ltd.	Business Loan	425.00	425.00	Working Capital	15.50%	NIL	425.00

Sr. No.	Name of bank/ financial institution	Nature of Borrowing	Sanctioned Amount	Total outstanding amount as on September 30, 2023	Purpose of raising loan	ROI % (p.a.)	Pre-payment clause (if any)	Proposed to be repaid from IPO Proceed
6.	Magma - Poonawalla Fin. Ltd	Business Loan	35.00	10.24	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	6.56	Working Capital	15.50%	2%	6.56
	Total		818.45	614.43				614.43

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 October 03, 2023, 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:

(Rs. In Lakhs)								
Particulars	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
Current Assets								
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	
Total (A)	3233.57		3184.87		3603.57		4211.86	
Current Liabilities								
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	
Total (B)	849.13		1243.93		1309.27		1600.85	

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	
Working Capital Gap (C)= (A)- (B)	2384.44		1940.94		2294.30		2611.01	
Less: Existing Bank Borrowings (D)	1182.73		953.43		1196.20		1298.51	
Net Working Capital Requirement (E)= (C)- (D)	1201.71		987.51		1098.1		1312.50	
Funding Pattern								
Internal Accruals / Owned Funds/ Borrowings	1201.71		987.51		1098.1		1312.50	
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:

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

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

Sr. No.	Particulars	Assumptions
Current Assets		
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

Sr. No.	Particulars	Assumptions
		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.
Current Liabilities		
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:

(Rs. In Lakhs)

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 other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses	60.00	75.00	2.25
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
	Total estimated Issue expenses	80.00	100.00	3.00

@ 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 Draft 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 Draft 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 Draft 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.

BUSINESS OVERVIEW

The following disclosure shall be amended and/ or updated and/or added under the chapter titled “Business Overview” beginning from page 91 of the Draft 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 Draft 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. For details, please refer to “Object of the Issue” on page no. 66.

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:

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

(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.

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
Total	3051.70	6321.20	7541.15	4890.36

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	Chhattisgarh	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
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	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
	TOTAL	3051.70	6321.20	7541.15	4890.36

*Direct Export and through merchant exporters.

Break up of distributors within India:

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

(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.

OUR MANAGEMENT

The following disclosure shall be amended and/ or updated and/or added under the chapter titled “Our Management” beginning from page 122 of the Draft Prospectus:

Sets forth below are the details regarding our Board as on the date of this Draft 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 Draft Prospectus
Mrs. Sneha Chinmay Khandelwal Age: 34 years Date of Birth: May 14, 1989 Designation: Non-Executive Independent Director Address: 93-A, Sudama Nagar, Narendra Tiwari Marg, Nr Sudama Nagar, Madhya Pradesh 452009 DIN: 10448569 Occupation: Service Nationality: Indian Original Date of Appointment: January 01, 2024 Period of Directorship: Liable to retire by rotation	Nil

Brief Profile of the Directors of our Company

Mrs. Sneha Chinmay Khandelwal- Non-Executive Independent Director

Mrs. Sneha Chinmay Khandelwal, aged 34 years, is Non – Executive Independent 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.

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 Draft Prospectus:

Name of Director	Date of Appointment/ Change in designation	Reason
Mr. Shankar Arya	December 18, 2023	Resigned due to personal reasons
Mrs. Sneha Chinmay Khandelwal	January 01, 2024	Appointed as Non – Executive Independent Director

Corporate Governance

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 Draft Prospectus the Shareholders and Investors Grievance Committee consists of the following:

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
Mrs. Sneha Chinmay Khandelwal	Member	Non-Executive Independent Director

Nomination and Remuneration Committee

The re-constitution of the Nomination and Remuneration Committee has been re-formed at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 held on January 01, 2024.

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Anjali Jain	Chairman	Non-Executive Independent Director
Ms. Devyani Chhajed	Member	Non-Executive Independent Director
Mrs. Sneha Chinmay Khandelwal	Member	Non-Executive Independent Director

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

The following disclosure shall be amended and/ or updated and/or added under the chapter titled "Management's Discussion And Analysis Of Financial Conditions And Results Of Operations" beginning from page 184 of the Draft Prospectus:

Significant Developments Subsequent to the Last Financial Year

- 1) Mr. Shankar Arya resignation as Non-Executive Director was approved by Board vide its Resolution dated December 18, 2023.
- 2) Mrs. Sneha Chinmay Khandelwal appointment as Non-Executive Independent Directors was approved by Board vide its Resolution dated January 01, 2024.
- 3) The Company has re-formed Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board resolution dated January 01, 2024.

COMPARISON OF FINANCIAL YEARS ENDED MARCH 31, 2023, 2022 AND 2021

Main Components of our Profit and Loss Account

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.

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 Draft 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 Draft 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 Draft 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 82 of this Draft Prospectus.

7. Competitive conditions.

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Business Overview” beginning on pages 82 and 91, respectively of this Draft 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%

As on March 31, 2023	Suppliers’ contribution	Customers’ contribution
Top 5 %	41.38%	18.28%
Top 10 %	53.40%	26.32%

As on March 31, 2022	Suppliers’ contribution	Customers’ contribution
Top 5 %	29.96%	16.96%
Top 10 %	41.57%	26.14%

As on March 31, 2021	Suppliers’ contribution	Customers’ contribution
Top 5 %	21.53%	18.32%
Top 10 %	35.00%	28.29%

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The following disclosures shall be amended and/ or updated and/or added under the chapter titled “Outstanding Litigations And Material Developments” beginning from page 194 of the Draft Prospectus:

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.

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 Draft 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.

GOVERNMENT AND OTHER APPROVALS

The following disclosures shall be amended and/ or updated and/or added under the chapter titled “Government and Other Approvals” beginning from page 198 of the Draft Prospectus:

C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

Issuing Authority	Registration / License No.	Nature of Registration / License	Date of Registration	Valid Up to
Food Safety and Standards Authority of India	11421999000061	FSAAI License- Manufacturing Unit 1	20-07-2022	31-12-2023
Food Safety and Standards Authority of India	10019026001398	FSAAI License- Manufacturing Unit 2	20-06-2023	16-07-2024
M.P. Pollution Control Board – Indore	AW-103941	Consent Order- Manufacturing Unit 2	04-07-2022	31-03-2027

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:

Issuing Authority	Application No.	Nature of Registration / License	Date of Application
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 Draft 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:

Sr. No.	Particulars of licenses/ approvals/ registrations	Tentative Time Period of application
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

Sr. No.	Particulars of licenses/ approvals/ registrations	Tentative Time Period of application
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

DECLARATION

We hereby declare that, all the relevant provisions Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the regulations/ guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Draft 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 Independent 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 10, 2024