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BABA FOOD PROCESSING (INDIA) LIMITED

Our Company was incorporated on April 22, 2015, as 'Baba Food Processing (India) Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Jharkhand at Ranchi. Subsequently, pursuant to a resolution passed by the Shareholders in an Extra-Ordinary General Meeting held on May 27, 2023, our Company was converted from a private limited company to a public limited company and a fresh certificate of incorporation dated July 20, 2023 was issued by the Registrar of Companies, Jharkhand at Ranchi. Consequent to the conversion of our Company, the name of our Company was changed to 'Baba Food Processing (India) Limited'. For details relating to change in the Registered Office of our Company, please refer to "History and Certain Corporate Matters" on page 144.

Registered Office: 6th Floor, Home Decor Building, Opposite Durga Mandir, Ratu Road, Ranchi G.P.O., Ranchi – 834 001, Jharkhand, India;

Telephone: +91 915 519 2834; **E-mail:** cs@babafood.in; **Facsimile:** N.A;

Website: www.babafood.in; **Contact Person:** Ashana Vij, Company Secretary & Compliance Officer;

Corporate Identity Number: U15311JH2015PLC002849

PROMOTERS OF OUR COMPANY: YOGESH KUMAR SAHU

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 18, 2023: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF BABA FOOD PROCESSING (INDIA) LIMITED (THE "COMPANY" OR "BABA FOOD" OR "ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ 3,300.00 LACS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI BEING THE REGIONAL LANGUAGE OF JHARKHAND WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

Potential Bidders may note the following:

- The chapter titled "Risk Factors", "Our Business", "Objects of the Issue", "Our Management", "Outstanding Litigation and Material Developments" and "Other Regulatory and Statutory Disclosures" have been updated in accordance with the suggestions made by NSE.

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

Place: Jharkhand

Date: October 19, 2023

On behalf of Baba Food Processing (India) Limited

Sd/-

Ashana Vij

Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

Horizon Management Private Limited
19 R N Mukherjee Road, Main Building, 2nd Floor
Kolkata- 700 001, West Bengal, India.
Telephone: +91 33 4600 0607
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Email ID: smeipo@horizon.net.co
Website: www.horizonmanagement.in
Investor Grievance ID: investor.relations@horizon.net.co
Contact Person: Manav Goenka
SEBI Registration Number: INM000012926

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi -110 020,
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Telephone: +91 112 638 7281/83, 4132 0335;
Facsimile: +91 112 638 7384
Email ID: info@masserv.com
Website: www.masserv.com
Investor grievance: investor@masserv.com
Contact Person: N C Pal
SEBI Registration: INR 000000049

BID/ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

10. There have been instances of delays of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC.

In the past, there have been certain instances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by RoC. Details of the same have been provided below:

S. No.	Name of ROC Form	Due date	Date of filing	Delay
1	Form MGT-14 for IPO approval	September 13, 2023	September 15, 2023	2 days
2	Form AOC-4 (XBRL) for FY 2022-23	August 2, 2023	September 08, 2023	37 days
3	Form AOC-4 (XBRL) for FY 2021-22	October 29, 2022	November 02, 2022	4 days
4	Form AOC-4 (XBRL) for FY 2020-21	December 30, 2021	February 16, 2022	48 days
5	Form DIR-12 for change in designation of Mrs. Binita Sahu	December 30, 2021	March 23, 2022	83 days
6	ADT-1 for appointment of auditors	January 15, 2021	March 24, 2022	433 days
7	Form AOC-4 (XBRL) for FY 2019-20	January 30, 2021	July 21, 2021	173 days
8	Form MGT-7 for FY 2018-19	November 29, 2019	December 13, 2019	14 days
9	Form DIR-12 for appointment of director, Mr. Manish Kumar Sahu	June 30, 2018	September 19, 2018	81 days
10	Form CHG-1 for modification of charge	September 7, 2018	September 18, 2018	11 days
11	Form MGT-7 for FY 2017-18	November 29, 2018	December 25, 2018	26 days
12	ADT-1 for appointment of auditors	October 15, 2016	October 27, 2016	12 days
13	Form MGT-14 for issue of shares	May 18, 2016	September 2, 2023	2663 days
14	Form MGT-14 for Issue of shares	October 15, 2015	August 30, 2023	2876 days
15	Form MGT-14 for Issue of shares	November 4, 2015	September 4, 2023	2861 days

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

15. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same had significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including the food, agro-commodity and hospitality industry. Due to COVID-19 pandemic and the consequent lockdown announced by the Central Government and various State Governments, the offices and manufacturing units of our customers, namely, FMCG companies, food processing companies, retailers and distributors were either shut or were not actively functional or were running at reduced capacity. Further, the customers of our customers, including but not limited to hotels, restaurants, Dhaba, street food vendors, etc., were also shut down or were not able to undertake business properly due to travel restrictions. Owing to the above, our sales and production were directly impacted. Due to reduction of demand of our products, the production capacity of our unit was significantly reduced. Approximately 25-30% sales and production was impacted during the lockdown which resulted into decrease in overall capacity utilisation. The details of the quantitative impact on the business operations of our Company during the COVID -19 pandemic has been provided below:

Particulars	FY20	FY21	FY22	FY23
Capacity	72,000	72,000	72,000	72,000
Production	49,111	43,973	41,844	56,127
Capacity Utilized(in %)	68.21%	61.07%	58.12%	77.95%
Sales Revenue	12,262.03	10,655.10	9,711.10	18,953.95
EBITDA	648.72	572.15	533.48	1,107.52
PBT	279.58	309.48	281.17	697.84
PAT	199.54	198.14	201.26	503.44
EBITDA (in %)	5.29%	5.37%	5.49%	5.84%
PBT(in %)	2.28%	2.90%	2.90%	3.68%

(₹ in lakhs)

PAT(in %)	1.63%	1.86%	2.07%	2.66%
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(₹ in lakhs)

Particulars	Comparison to Pre-Covid Level FY20		After comparison to Pre-Covid Level FY20
	FY21	FY22	FY23
Capacity Utilization Increased / (Decreased)	(7.14)%	(10.09)%	9.74%
Sales Increased / (Decreased)	(13.10)%	(23.94)%	35.31%
EBITDA Increased / (Decreased)	(11.80)%	(20.14)%	41.43%
Lock down	61 day	72 days	

Currently, the outbreak is under control, however spread of any other variants of this virus could cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Further, with the onset of fourth wave of Coronavirus and the surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated by us. We will continue to closely monitor any material changes arising of future economic conditions and impact on our business. However, in future any of the foregoing effects could have a material adverse effect on our business, results of operations, cash flows and financial condition.

16. There have been instances of delays in payment of statutory dues, i.e. GST by the Company. In case of any delay in payment of statutory due in future by our Company, the Regulatory Authorities may impose monetary penalties on us or take certain punitive actions against our Company in relation to the same which may have adverse impact on our business, financial condition and results of operations.

In the past, there have been certain instances of delays in payment of statutory dues, i.e. GST, by the Company. The details of the delay caused in payment of statutory dues have been provided below:

Statutory Dues	Details of Financial Year	Period Of delay	Days of Delays	Payment Dates	Reason for delay	Steps taken to address such delays
GST	FY_2017-18	August'2017	1 day	21/09/17	1st year of GST implementation, issues in compliance s due to frequent changes, reconciliations, compliance s from all ends etc	Frequently consultation with experts to remain updated with GST laws, chasing suppliers for missing Form 2A and endeavouring to file in time.
GST	FY_2017-18	January'2018	2 days	22/02/18		
GST	FY_2017-18	February'2018	27 days	17/04/18		
GST	FY_2017-18	March'2018	1 day	21/04/18		
GST	FY_2018-19	April'2018	4 days	23/05/18	Input Credit Reconciliation	Reconciliation now done monthly before due date
GST	FY_2018-19	June'2018	1 days	21/07/18	Technical Issues	-
GST	FY_2018-19	August '2018	8 days	28/09/18	Delay due to 2A reconciliation and capital goods claim reconciliation	Reconciliation now done monthly before due date
GST	FY_2018-19	February'2019	3 days	26/03/19	Technical Issues	-
GST	FY_2019-20	April'2019	1 day	21/05/19	Technical	-

Statutory Dues	Details of Financial Year	Period Of delay	Days of Delays	Payment Dates	Reason for delay	Steps taken to address such delays
					Issues	
GST	FY_2019-20	May'2019	1 day	21/06/19	Technical Issues	-
GST	FY_2019-20	September'2019	2 Days	22/10/19	Technical Issues	-
GST	FY_2019-20	October'2019	1 day	21/11/19	Technical Issues	-
GST	FY_2020-21	June'2020	1 day	21/07/20	Technical Issues	-
GST	FY_2020-21	September'2020	2 days	22/10/20	Technical Issues	-
GST	FY_2021-22	May'2021	1 day	21/06/21	Technical Issues	-
GST	FY_2021-22	June'2021	1 day	21/07/21	Technical Issues	-
GST	FY_2021-22	November'2021	3 days	23/12/21	Technical Issues	-
GST	FY_2022-23	August'2022	1 day	21/09/22	Technical Issues	-
GST	FY_2022-23	September'2022	1 day	21/10/22	Technical Issues	-
GST	FY_2022-23	February'2023	1 day	21/03/23	Technical Issues	-

Our Company has already made provisions in the financials of the Company for such delay payments. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to payment of statutory dues. The happening of such event may cause imposition of fine / penalty which may have adverse effect on the results of our operations and financial position.

18. Our business and prospects may be adversely affected if we are unable to maintain and grow the image of our brands. Further, our brand 'Panchakanya' and the package design of our product 'Panchakanya Gold', 'Panchakanya Krishna' and 'Panchakanya Sharbati' is assigned and registered, respectively, in the name of our Promoter Group member, Manish Kumar Sahu. We have executed a deed of assignment with our promoter group member to record the terms of usage of the said trademarks and have filed an application with the Trade Mark Registry for registration of the said trade marks in the name of our Company. In the event, we are unable to protect our intellectual property rights or brand names, it could have a material impact on our goodwill, business operations, financial condition and results of operations.

Our Company has created a brand presence with our brands, namely, 'Panchakanya' and 'Bhajan'. We sell our products under our brands, which we believe are well recognized, have been developed to cater to customers and have contributed to the success of our business in the market for excipients. We believe our brand's image serve in attracting customers to our products in preference over those of our competitors. Maintaining and enhancing the recognition and reputation of these brands is critical to our business and competitiveness. Many factors, some of which are beyond our control, are important for maintaining and enhancing our brands, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

Furthermore, while, our brand 'Bhajan' is registered under the name of our Company, however our brand 'Panchakanya' and the package design of our product 'Panchakanya Gold', 'Panchakanya Krishna' and 'Panchakanya Sharbati' are not registered under the name of our Company. The brand 'Panchakanya' is registered under the name of Nutrilite Agro Products Private Limited, who has further assigned the said trademark to our Promoter Group member, Manish Kumar Sahu. Further the package design of our product 'Panchakanya Gold', 'Panchakanya Krishna' and 'Panchakanya Sharbati' are registered under the name of our Promoter Group member, Manish Kumar Sahu. Our Company has executed a deed of assignment dated September 18, 2023 (which was executed on September 19, 2023) with Manish Kumar Sahu, wherein trademarks and copyrights in relation to 'Panchakanya' have been assigned to our Company by Manish Kumar Sahu (the "Assignor" and the "Deed of Assignment"). The Assignor has assigned to our Company the trademarks and copyrights, in lieu of a one-time consideration of a sum of ₹ 3.00 lakhs. The said consideration has been paid by our Company to the Assignor on September 18, 2023. Pursuant to the payment of the said consideration, all rights, titles and interests associated with the said registered trademarks and copyrights and in respect of the goods sold under the mark along with the goodwill were assigned to our Company. Our Company has made an application dated October 5, 2023 before the Trade Mark registry for registering the

said marks in the name of our Company. For further details, please see the chapter titled “*Government and Other Approvals - Intellectual Property Related Approvals*” on page 222 of the DRHP. Additionally, we cannot assure that we will continue to be able to fully protect our intellectual property in the best possible manner for marketing our products. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

25. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.*

Our Company intends to use approximately ₹ 2,029.88 lakhs of the Net Proceeds towards making investments in our Subsidiary, for setting up a manufacturing unit in Patna, Bihar, comprising an ultra-modern highly automated roller flour mill and chakki whole wheat atta mill. Further, we intend to use approximately ₹ 365.70 lakhs of the Net Proceeds towards purchase of machinery for manufacturing Chickpea Flour (*Besan*) and Roasted Gram Flour (*Sattu*) in our existing manufacturing unit. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads under the setting up of the proposed manufacturing unit and purchase of machinery for our existing manufacturing unit, as disclosed in the section titled “*Objects of the Issue*” on page 79.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Draft Red Herring Prospectus. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the Draft Red Herring Prospectus, we cannot assure that we will be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, 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 re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

52. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.*

Since the Issue size is less than ₹ 10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

**SECTION IV – INTRODUCTION
OBJECTS OF THE ISSUE**

1. Investment in our wholly owned Subsidiary, Panchakanya Foods Private Limited (“PFPL”) for setting up a manufacturing unit in Patna, Bihar, comprising an ultra-modern highly automated roller flour mill and chakki whole wheat atta mill.

Deployment of Funds and Sources of Funds

Our Statutory Auditor *vide* its certificate dated September 9, 2023 has confirmed that as of August 31, 2023, ₹ 315.44 lakhs have been deployed by PFPL towards the Project. The details are as follows:

S. No.	Particulars	Amount
1.	Lease rent paid to Bihar Industrial Area Development Authority (“BIADA”)	315.44

(₹ in lakhs)

The aforesaid amounts have been financed as follows:

S. No.	Particulars	Amount
1.	Infusion of funds by our Company into PFPL by way of investment in equity and debt	315.44

(₹ in lakhs)

Our Company had infused an amount of ₹ 315.44 lakhs in our Subsidiary by way of investment in equity and debt. Pursuant to such infusion, PFPL has deployed ₹ 315.44 lakhs for payment of leasehold expenditure in accordance with letter of allotment dated August 11, 2023 read with the letter dated September 14, 2023 issued by BIADA. The said deployment has been certified and confirmed by our Statutory Auditor by way of a certificate dated September 9, 2023.

We further clarify that our Company proposes to reimburse the amount invested in our Subsidiary by our Company, being ₹ 315.44 lakhs through the Net Proceeds. The remaining amount of ₹ 684.56 lakhs to be incurred towards leasehold expenditure shall be funded through the term loan of ₹ 3,800 lakhs which has been sanctioned by Axis Bank Limited. Therefore, the amount of ₹ 315.44 lakhs shall be funded from the Net Proceeds.

3. Funding the working capital requirements of our Company

Our Company proposes to utilise up to ₹ 250.00 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2023.

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions and non-banking financial companies. Our Company requires additional working capital for funding future growth requirements of our Company. As of June 30, 2023, the aggregate amount sanctioned by the banks to our Company under the fund based working capital facilities amounted to ₹ 2,787 lakhs on a standalone basis. For details of the working capital facilities availed by us, see “*Financial Indebtedness*” on page 203.

Basis of estimation of working capital requirement

The details of the working capital as March 31, 2021, March 31, 2022 and March 31, 2023 and the source of funding derived from the standalone financial statements of the Company as certified by our Statutory Auditor through their certificate dated October 8, 2023 are provided in the table below. On the basis of the existing and estimated working capital requirement of the Company on a standalone basis, and assumptions for such working capital requirements for Fiscals 2024 and 2025 as provided by the Company are set forth below:

S. No.	Particulars	As at March 31, 2021 (Actual- Restated)	As at March 31, 2022 (Actual- Restated)	As at March 31, 2023 (Actual- Restated)	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Estimated)
(A)	Current assets					
(a)	Inventories	510.68	1,688.02	2,447.25	2,838.64	2,932.42
(b)	Financial assets					
	(i) Trade receivables	993.61	966.13	1,194.15	1,096.44	1,132.99
(c)	Cash and Bank Balance	9.37	119.46	437.96	180.00	180.00
(d)	Short term loans & advances			-	-	-
(e)	Other Current Assets	75.11	148.19	198.63	200.00	200.00
	Total current assets (A)	1,588.77	2,921.80	4,277.99	4,315.08	4,445.41
(B)	Current liabilities					

(₹ lakhs)

(a)	Financial liabilities					
	(i) Trade payables	353.27	351.83	620.26	377.26	389.84
(b)	Provisions, other current liabilities and current tax liabilities (net)	83.70	152.91	220.11	250.00	250.00
	Total current liabilities (B)	436.97	504.74	840.37	627.26	639.84
(C)	Total working capital requirements (C = A – B)	1,151.80	2,417.06	3,437.62	3,687.82	3,805.57
(D)	Funding pattern					
(a)	IPO proceeds	-	-	-	250.00	
(b)	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting) or internal accruals	1,151.80	2,417.06	3,437.62	3,437.82	3,805.57
	Total	1,151.80	2,417.06	3,437.62	3,687.82	3,805.57

Note: Pursuant to the certificate dated October 8, 2023, issued by the Statutory Auditor.

Our Company shall also fund the incremental working capital requirements by availing loan facilities.

Our Board of Directors pursuant to its resolution dated October 8, 2023 has approved the estimated working capital requirements of our Company.

Assumptions for the estimated working capital requirements:

Particulars	Holding Level for year/period ended				
	March 31, 2021 (Actual-Restated)	March 31, 2022 (Actual-Restated)	March 31, 2023 (Actual-Restated)	March 31, 2024 (Estimated)	March 31, 2025 (Estimated)
Inventories	17	63	45	60	60
Trade Receivables	34	36	23	23	23
Trade Payables	12	13	12	9	9

Key assumptions for working capital requirements

The Company's estimated working capital requirements on a standalone basis are based on the following key assumptions:

S. No.	Particulars	Assumptions
Current Assets		
1	Trade Receivables	The Company's general credit terms vary across geographies and type of customer. We expect Debtors Holding days to be around 23 days for FY 2024 and FY 2025 as compared to 23 days in FY 2023, 36 days in FY 2022 and 34 days in FY 2021.
2	Inventories	Inventory levels are maintained by the Company depending upon the crop season and availability. We have assumed Inventories turnover days to be around 60 days for FY 2024 and FY 2025 as compared to 45 days in FY 2023, 63 days in FY 2022 and 17 days in FY 2021.
Current Liabilities		
1	Trade Payables	We expect the creditors' payments days be around 9 days for FY 2024 and FY 2025 as compared to 12 days in FY 2023, 13 days in FY 2022 and 12 days in FY 2021.

The rationale for the increase in working capital requirements of the Company for the past three financial years and estimated period

The increase in working capital requirements of the Company for the last three financial years and the estimated period is mainly due to the increase in inventory levels. While there is no significant change in the amount of trade receivables and trade payables, the holding period of inventory has significantly increased from 17 days in FY 2021 to 63 days in FY 2022 and 45 days in FY 2023. The assumption for FY 2024 and 2025 is 60 days considering the current scenario.

The Ukraine Russia conflict which started on February 2022 has significantly impacted the supply and pricing of wheat globally. Ukraine and Russia are large suppliers of wheat to the world and their conflict impacted the supply of wheat which made the wheat market unstable with limited supply and rise in prices. The Company had to increase their inventory of wheat to ensure uninterrupted functioning of plant. This led to high inventory levels for FY 2022 but it also led to full-fledged running of the plant in FY 2023 with significant increase in turnover and profitability.

Further in FY 2023 the Government of India has also delayed the sale of wheat under the Open Market Sale Scheme through Food Corporation of India. There was no sale till January 2023 which has also resulted into maintaining the high holding period of wheat for FY 2023.

In FY 2024, the Government of India has started sale of very nominal quantity i.e. 400 tons per month under the Open Market Sale Scheme. However, this is a very small quantity when compared to the requirements of the Company. Moreover, high import duty on wheat has also impacted the import of wheat into India.

The above factors have together impacted both the supply and pricing of wheat. The Company expects supply constraints with high prices to continue in near future. Hence the holding period of inventory for FY 2024 and 2025 have also been estimated at 60 days.

SECTION V – ABOUT THE COMPANY OUR BUSINESS

Our Company is primarily engaged in the business of manufacturing high fibre Whole Wheat Atta (*Wheat Flour*), Refined Flour (*Maida*), Tandoori Atta and Semolina flour (*Sooji*). Our manufacturing unit is situated in Ranchi and houses two divisions namely, high fibre whole wheat atta division and refined flour division. Our Company manufactures high fibre Whole Wheat Atta (*Wheat Flour*) in our whole wheat atta division and Refined Flour (*Maida*), Tandori Atta, Semolina flour(*Sooji*) in our refined flour division. We also commercialise the by-product and waste material, *i.e.*, wheat bran and other waste materials generated during our manufacturing process as cattle feed and fish feed, which makes our manufacturing unit a zero waste and zero discharge manufacturing unit. Our manufacturing unit is equipped with ultra-modern highly automated Buhler’s Swiss Technology Pesa Mill for manufacturing of stoneless high fibre atta and also an ultra-modern highly automated Buhler’s Swiss Technology Roller Flour Mill with installed capacity of 200 Tons per day. We also market and sell Chickpea Flour (*Besan*) and Roasted Gram Flour (*Sattu*) under our brand ‘*Panchakanya*’, however we procure these product from third party manufacturers. We propose to utilise a portion of the Net Proceeds of this Issue, towards purchase of machinery for manufacturing Chickpea Flour (*Besan*) and Roasted Gram Flour (*Sattu*) in our existing manufacturing unit.

We believe that we have established our brand as the preferred home consumption brand for wheat flour and refined flour. We have a successful track record which has enabled us to develop an effective business model with stringent control over processes, including raw material procurement, manufacturing operations, inventory management and management of distribution logistics. We adhere to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets. Our Company runs a zero wastage manufacturing unit, wherein waste material generated from our divisions is either sold or processed as cattle feed or fish feed. We further market and sell our by-product, wheat bran as animal feed and therefore commercialise our by-product as well as waste material. Further, leftover bags in which the raw material is packed and dispatched to us, are re-used by our Company in its manufacturing operations or for packing of finished products. However, if the aforementioned bags are torn or are unfit for reuse, we sell such bags to ensure effective waste management. Further, in relation to job work, our Company during the Fiscal 2023 had undertaken a single job-work transaction for National Co-operative Consumers Federation of India Limited, wherein our Company had undertaken conversion of wheat into whole wheat atta on job work basis. The aforementioned transaction has been recognised as ‘job work’ in our books of accounts. The commercialisation of our waste material makes our manufacturing unit a zero wastage unit or a zero discharge unit.

OUR COMPETITIVE STRENGTHS

Widespread distribution network and presence across various retail channels.

Our Company has invested in establishing processes, teams and technology to manage our distribution channels and retail presence. Our Company has a unique business model through which it markets and sells its products. Our customer/distributor base is divided into five categories namely, institutional manufactures, modern traders, dealers, wholesalers and retailers. A break up of the revenue earned by our Company through institutional manufactures, modern traders, dealers, wholesalers and retailers during the three months period ended June 30, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Particulars	Three month period ended June 30, 2023		Fiscal					
			2023		2022		2021	
	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue
Institutional Manufactures	489.19	11.83%	2,707.46	14.28%	1,241.81	12.79%	555.11	5.21%
Modern Traders	201.92	4.88%	346.31	1.83%	124.88	1.29%	55.82	0.52%
Dealers	804.39	19.45%	3,524.66	18.60%	2,205.79	22.71%	2,553.62	23.97%
Wholesalers	971.61	23.50%	4,580.77	24.17%	2,695.66	27.76%	2,847.25	26.72%
Retailers	1,573.00	38.04%	6,260.29	33.03%	3,442.96	35.45%	4,444.49	41.71%
Trading	94.52	2.29%	1,534.44	8.09%	-	0.00%	198.81	1.87%
Total	4,134.63	100.00	18,953.93	100.00	9,711.10	100.00	10,655.10	100.00

For further, details, please see “*Our Business – Overview*” on page 117.

Our Company has engaged number of dealers, wholesalers and retailers to ensure easy product availability to our customers, efficient supply chain, focused customer service and short turnaround times. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. Our long-standing dealer base is supported by an efficient sales team, leading the products to retailers and wholesalers in Jharkhand, West Bengal and Odisha, thereby making our products available on the shelf at all times, reducing dealer stock levels and increasing annual sales per dealer. The intermediaries in our distribution network remain in constant contact with our customers, which enables them to perceive the market requirement and the sentiment of customers towards our products. The intermediaries in our distribution network are the first point of contact for us and our sales and marketing teams remain in contact with the intermediaries to constantly improve our products and bring them in line with the

requirements of our customers. Our sales and marketing team has a focused approach to creating brand awareness by targeting deeper penetration in small cities and towns for marketing of our products. We have deployed our team of sales professionals in Jharkhand and Odisha so that we can provide first hand guidance and assistance to our dealers across the nation. As a result of our widespread distribution network, significant operational experience and regular follow ups to gauge the customer's demand, we believe that we have been able to identify market trends and personally connect with a large number of consumers, thereby gaining trust of our customers over the years.

Diversified Product Basket

Our diversified product portfolio includes a wide range of flour such as, Whole Wheat Atta (*Wheat Flour*), Refined Flour (*Maida*), Tandori Atta and Semolina flour (*Sooji*), thereby effectively addressing a large consumer base. We believe that our ability to identify market trends and develop quality products catering to the Indian consumers are significant factors that have contributed to the growth of our business.

Since incorporation, our Company has been diversifying its product portfolio. During the year 2016, our Company had set up an ultra-modern highly automated Buhler's Swiss Technology Pesa Mill for manufacturing of stoneless high fibre atta. Subsequently, our Company launched its brands under the name "*Panchakanya*" and "*Bhajan*" for marketing and selling of Whole Wheat Atta. During the year 2018, our Company expanded its product portfolio by setting up an ultra-modern highly automated Buhler's Swiss Technology Roller Flour Mill for manufacturing of Refined Flour (*Maida*), Tandori Atta, Semolina flour (*Sooji*) in the same manufacturing unit. We also market and sell Chickpea Flour (*Besan*) and Roasted Gram Flour (*Sattu*) under our brand '*Panchakanya*', however we procure these product from third party manufacturers. We propose to utilise a portion of the Net Proceeds of this Issue, towards purchase of machinery for manufacturing Chickpea Flour (*Besan*) and Roasted Gram Flour (*Sattu*) in our existing manufacturing unit. Furthermore, our Company is proposing to expand its business operations in India by setting up an ultra-modern highly automated roller flour mill and chakki whole wheat atta mill in Patna and expand its market and customer base to Bihar, West Bengal, Andhra Pradesh, North East Region and Odisha. Therefore, our Company has incorporated its wholly-owned subsidiary under the name Panchakanya Foods Private Limited, pursuant to a certificate of incorporation dated April 5, 2023 issued by the Registrar of Company, Central Registration Centre. Our Company proposes to invest a portion of the Net Proceeds of this Issue amount to ₹ 2,029.88 lakhs in our Subsidiary for setting up the aforementioned manufacturing unit and expanding our market base.

Our capacity to continuously diversify and develop our products, effectively supported by our strategically located manufacturing and distribution network, enables us to launch and market new products aligned to evolving consumer preferences. This facilitates minimal time-to-scale, and has enabled us to generate significant revenues from each of our products. A break up of the product-wise revenues earned by our Company during the three month period ended June 30, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Name of Product	Three month period ended June 30, 2023		Fiscal					
			2023		2022		2021	
	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue
Whole Wheat Atta (Wheat Flour)	1,382.52	33.44%	4,472.00	23.59%	2,817.74	29.02%	4,110.36	38.58%
Refine Flour (Maida)	1,488.73	36.01%	7,823.27	41.28%	4,223.24	43.49%	3,871.35	36.33%
Semolina flour (Sooji)	146.23	3.54%	774.20	4.08%	504.15	5.19%	437.16	4.10%
Tandori Atta	91.86	2.22%	426.13	2.25%	173.57	1.79%		0.00%
Wheat Bran (Choker)	846.60	20.48%	3,559.44	18.78%	1,938.03	19.96%	1,719.69	16.14%
Waste Dust	5.52	0.13%	19.56	0.10%	9.66	0.10%	10.09	0.09%
Trading Goods (Chickpea Flour (Besan) and Roasted Gram Flour (Sattu))	159.05	3.85%	1,815.25	9.58%	0.38	0.00%	504.10	4.73%
Waste Bags	14.12	0.34%	59.95	0.32%	44.33	0.46%	2.35	0.02%
Job Charges	-	0.00%	4.14	0.02%	-	0.00%	-	0.00%
Total	4,134.63	100.00%	18,953.94	100.00%	9,711.10	100.00%	10,655.10	100.00%







Owing to our wide range of products, our business and results of operations are less susceptible to price fluctuation or disruptions in market trends.

DETAILS OF OUR BUSINESS

PRODUCTS

Whole Wheat Atta

Processing of whole wheat high fibre Atta begins with picking the best-quality wheat grains, numerous quality checks, washing, and filtration ensure the cleanest wheat before stoneless grinding. Panchakanya & Bhanjan whole wheat atta contains higher bran and fibre content and is perfect to be used for Chapatis, Naans, Paranthas, and Pooris. We pack and supply in various pack sizes viz., 1 kg, 5 kg, 10 kg, 30 kg and 50 kg.

Brand	Specification	Logo	Photo
Panchakanya Sharbati	Panchakanya Sharbati Whole Wheat Atta is made from highest grade premium quality Sharbati Wheat from fertile soil of Madhya Pradesh.		
Panchakanya Gold	Panchakanya Gold Whole Wheat Atta is made from handpicked highest grade premium quality 100% MP Wheat.		

Brand	Specification	Logo	Photo
Panchakanya Krishna	Panchakanya Krishna Whole Wheat Atta is made from highest grade premium quality Wheat from blend of MP & UP/Bihar		
Bhajan	Bhajan Whole Wheat Atta is made from High grade wheat of UP & Bihar		

LIST OF MACHINERY

Following is the list of major machinery installed at our manufacturing unit:

List of machinery		Purpose	Owned / Leased
1	Pesa Mill Mdga	Whole Wheat Atta Grinding	Owned
2	Four Roller Mill Mddp	Refine Wheat Flour Grinding	Owned
3	Plansifter Arenit Mpav	Sieving of Atta & Refine Flour from Grinded Flour	Owned
4	Purifier Mqrf	Separation of Semolina	Owned
5	Packing Machines	For Packaging of Atta, Maida, Suji	Owned
6	Flat Bottom Silos	To Store Wheat	Owned
7	Topwhite II Vertical Whitener Bspb	To remove the upper layer of wheat before atta grinding	Owned
8	Dry Destoner Mtsc	To Remove Stones from Wheat	Owned
9	Impact Detacher Mjzf 51	To convert the rava/suji particles into powder form	Owned
10	Bran Finisher Mkla 45/110	Finalization of Wheat Bran	Owned
11	Drum Sieve Mkzm-9510	Pre- Cleaning of Wheat	Owned
12	Cleaning Machine Lkaa (Tas 152a-2)	Pre- Cleaning of Wheat	Owned
13	Sooji Dryer	To reduce the moisture of Semolina	Owned
14	Air Compressor	To produce air required for process line	Owned
15	Grain Feeder	To transfer grains from one process to another	Owned
16	Magnet	To remove any Iron particle from Wheat, Flour, Atta & Suji	Owned
17	Dampener Turbolizer Mozl-30/150	To mix water & wheat	Owned
18	Horizontal Scourer Mhxf-30/150, 30/60	To clean the surface of wheat	Owned
19	Differential Dosing Scale Msdg	To water dosing in wheat	Owned
20	Automatic Flow Balancer Mzal	To weigh the products under process	Owned
21	Moisture Measuring Device Myfe 30	To measure the moisture in the products	Owned
22	Sieving Machine Mkzf	To sieving of atta	Owned
23	Impact Detacher Mjzh	To destroy eggs	Owned

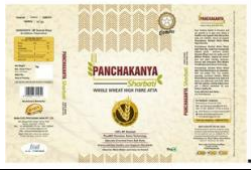


As of date of this Draft Red Herring Prospectus, our Company does not engage any contract labour.

INTELLECTUAL PROPERTY RIGHTS

Assigned Trademarks

Our Company has executed a deed of assignment dated September 18, 2023 (which was executed on September 19, 2023) with Manish Kumar Sahu, wherein the following trademarks and copyrights have been assigned to our Company by Manish Kumar Sahu (the “Assignor” and the “Deed of Assignment”):

Trademarks:

Sr. No.	Particulars	Trade Mark Number	Class
1.	PANCHAKANYA	2236074	30
2.		3353018	30
3.		3353017	30
4.		3353016	30

Copyrights:

S. No.	Artistic Work/label	Registration No.
1.	PANCHAKANYA BPT RAW REGULAR	A-119188/2017
2.	PANCHAKANYA BPT STEAM HAMESHA	A-119189/2017
3.	PANCHAKANYA BASMATI RICE	A-119190/2017
4.	PANCHAKANYA SONACHUR MAST MAST	A-119191/2017
5.	PANCHAKANYA SONACHUR	A-119361/2017
6.	PANCHAKANYA KATARNI STEAM	A-119362/2017
7.	PANCHAKANYA SONAM STEAM	A-119363/2017
8.	PANCHAKANYA SONAM ARWA	A-119364/2017
9.	PANCHAKANYA SHARBATI	A-121927/2017
10.	PANCHAKANYA GOLD	A-121928/2017
11.	PANCHAKANYA KRISHNA	A-121929/2017

The Assignor has assigned to our Company the aforementioned trademarks and copyrights, in lieu of a one-time consideration of a sum of ₹ 3.00 lakhs. The said consideration has been paid by our Company to the Assignor on September 18, 2023. Pursuant to the payment of the said consideration, all rights, titles and interests associated with the said registered trademarks and copyrights and in respect of the goods sold under the mark along with the goodwill were assigned to our Company.

The said assignment deed has been filed with Trade Mark Registry *vide* application no 396123 dated October 5, 2023.

Our ‘Panchakanya’ brand is registered in the name of one of the members of our Promoter Group, Manish Kumar Sahu. Our Company is in the process of executing an assignment agreement for the purpose of governing terms of the usage of the said brand. For risk relating to the same, please see – “Risk Factors – Risk Factor 16 - Our business and prospects may be adversely affected if we are unable to maintain and grow the image of our brands. Further, our brand ‘Panchakanya’ and the package design of our product ‘Panchakanya Gold’, ‘Panchakanya Krishna’ and ‘Panchakanya Sharbati’ is assigned and registered, respectively, in the name of our Promoter Group member, Manish Kumar Sahu. We have executed a deed of assignment with our promoter group member to record the terms of usage of the said trademarks and have filed an application with the Trade Mark Registry for registration of the said trade marks in the name of our Company. In the event, we are unable to protect our intellectual property rights or brand names, it could have a material impact on our goodwill, business operations, financial condition and results of operations” on page 36.

LAND AND PROPERTY

We carry out our business operations from the following properties:

i) Freehold Property

Sr. No.	Particulars of the Property	Usage
1.	5 Decimal of Freehold Land bearing Plot no 2278 under Mouja: Nagri, PS- Nagri, Thana No.: 122, Dist. Ranchi – 835 303, Jharkhand, India	Manufacturing Unit

OUR MANAGEMENT

Brief Biographies of our Directors

Yogesh Kumar Sahu, aged 50 years, is the Promoter and Managing Director of our Company. He holds a bachelor's degree in arts from Government College, Rourkela. He has an experience of over a decade in the agro trading and milling. Prior to incorporation of our Company, he was associated with a partnership firm under the name '*M/s. Baba Flour Mills*', in the capacity of a partner, which was engaged in the business of trading of agro-commodities and milling of rice and grains. He has an experience of twenty years in the business of manufacturing, milling and trading of agro-commodities. Presently, he head the sales and marketing division of our Company and is responsible for overall management of our Company.

Rajesh Agrawal, aged 47 years, is the Whole-time Director and Chief Financial Officer of our Company. He has attended Tribhuvan University, Kathmandu to pursue bachelor's degree in commerce from. He is a fellow member of the Institute of Chartered Accountants of India. He has an experience of twenty three years in the field of audit, due diligence, accounting, taxation, finance and management. Presently, he is responsible for the accounting, finance and taxation functions of the Company.

Binita Sahu, aged 40 years, is the Promoter and Non-Executive Director of our Company. She holds attended Baldeo Sahu Mahavidyalaya to pursue bachelor's degree in commerce. She has experience of six years in the field of management and administration. She is also actively involved in social welfare activities.

Sasmita Mohanty, aged 51 years, is the Independent Director of our Company. She has passed the examination held for master's degree in arts (sociology) from Sambalpur University. She has also completed the senior management programme organised by the Indian Institute of Management, Ahmedabad. She has experience of twenty-five years in leading organizational development and human resources initiatives linking human capital to strategic business results.

Sanchit Jaiswal, aged 31 years, is the Independent Director of our Company. He holds a provision certificate certifying that he has completed the bachelor's degree in commerce (corporate affairs and administration) from Indira Gandhi Open National University. He is an associate member of the Institute of Company Secretaries of India. He has experience of six years in the field of Corporate Law, Finance, General Management, Legal and Taxation.

Raj Kumar Lakhotia, aged 45 years, is the Independent Director of our Company. He has passed the examination held for bachelor's degree in commerce from University of Calcutta. He is a fellow member of Indian Institute of Chartered Accountants of India. He has also completed the post qualification course in information systems audit and certificate course on indirect taxed organised by the Indian Institute of Chartered Accountants of India. He has also completed the certification on central depository examination conducted by BSE Limited. He has an experience of twenty-two years in the field of taxation including international taxations, auditing, business and financial advisory, estate & succession planning. He is a director on the board of directors of Dev-Yashu Trading Private Limited, Chessy Finops Private Limited and Chessy Estate Veterans Private Limited.

Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment	Date of Cessation	Reasons for Change/ Appointment
Manish Kumar Sahu	-	March 6, 2021	Resigned from the post of the Director due to pre-occupation in other business ventures
Rakhi Sahu	June 1, 2021	-	Appointed as a Non-Executive Director
Binita Sahu	November 1, 2021*	-	Appointed as Additional (Executive Director)
Gyan Prakash Sahu	-	November 1, 2021	Resigned from the post of the Director due to group restructuring. Pursuant to the resignation the director has continued his appointment on the board of Baba Agro Food Limited.
Rakhi Sahu	-	November 1, 2021	Resigned from the post of a Non-Executive Director due to group restructuring. Pursuant to the resignation the director has been appointed on the board of Baba Agro Food Limited.
Ekta Sahu	-	November 1, 2021	Resigned from the post of the Director due to group restructuring. Pursuant to the resignation the director has been appointed on the board of Baba Agro Food Limited.
Rajesh Agrawal	May 18, 2023	-	Appointed as an Additional (Non-Executive) Director
Yogesh Kumar Sahu	July 4, 2023	-	Change in designation from Executive Director to Managing Director
Binita Sahu	July 4, 2023	-	Change in designation from Executive Director to Non-Executive Director
Rajesh Agrawal	July 4, 2023	-	Change in designation of the Director from Non-Executive Director to Whole-time Director
Sasmita Mohanty	July 20, 2023	-	Appointed as Independent Director
Sanchit Jaiswal	July 20, 2023	-	Appointed as Independent Director
Raj Kumar Lakhotia	July 20, 2023	-	Appointed as Independent Director

*The appointment of the Director was regularised in the AGM held on November 30, 2021.

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

Disciplinary action by SEBI or any stock exchange in the last five Fiscals

Raj Kumar Lakhotia

SEBI initiated adjudication proceedings against several persons and entities including our Independent Director, Raj Kumar Lakhotia alleging generation of artificial volumes by executing non-genuine/reversal trades on the same day, in violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. Raj Kumar Lakhotia filed an application under the SEBI Settlement Scheme, 2022 for settling the charges levied by SEBI. Subsequently, pursuant to a common order dated March 8, 2023 passed by whole-time members of SEBI, a penalty of ₹1,00,000 on Raj Kumar Lakhotia. Raj Kumar Lakhotia has made a payment of the aforementioned amount to the Securities and Exchange Board of India on October 13, 2022.

GOVERNMENT AND OTHER STATUTORY APPROVALS

INTELLECTUAL PROPERTY RIGHTS

Assigned Trademarks

Our Company has executed a deed of assignment dated September 18, 2023 (which was executed on September 19, 2023) with Manish Kumar Sahu, wherein the following trademarks and copyrights have been assigned to our Company by Manish Kumar Sahu (the “Assignor” and the “Deed of Assignment”):

Trademarks:

Sr. No.	Particulars	Trade Mark Number	Class
1.	PANCHAKANYA	2236074	30
2.		3353018	30
3.		3353017	30
4.		3353016	30

Copyrights:

S. No.	Artistic Work/label	Registration No.
1.	PANCHAKANYA BPT RAW REGULAR	A-119188/2017
2.	PANCHAKANYA BPT STEAM HAMESHA	A-119189/2017
3.	PANCHAKANYA BASMATI RICE	A-119190/2017
4.	PANCHAKANYA SONACHUR MAST MAST	A-119191/2017
5.	PANCHAKANYA SONACHUR	A-119361/2017
6.	PANCHAKANYA KATARNI STEAM	A-119362/2017
7.	PANCHAKANYA SONAM STEAM	A-119363/2017
8.	PANCHAKANYA SONAM ARWA	A-119364/2017
9.	PANCHAKANYA SHARBATI	A-121927/2017
10.	PANCHAKANYA GOLD	A-121928/2017
11.	PANCHAKANYA KRISHNA	A-121929/2017

The Assignor has assigned to our Company the aforementioned trademarks and copyrights, in lieu of a one-time consideration of a sum of ₹ 3.00 lakhs. The said consideration has been paid by our Company to the Assignor on September 18, 2023. Pursuant to the payment of the said consideration, all rights, titles and interests associated with the said registered trademarks and copyrights and in respect of the goods sold under the mark along with the goodwill were assigned to our Company.

The said assignment deed has been filed with Trade Mark Registry *vide* application no 396123 dated October 5, 2023.

Our ‘Panchakanya’ brand is registered in the name of one of the members of our Promoter Group, Manish Kumar Sahu. Our Company is in the process of executing an assignment agreement for the purpose of governing terms of the usage of the said brand. For risk relating to the same, please see – “Risk Factors – Risk Factor 16 - Our business and prospects may be adversely affected if we are unable to maintain and grow the image of our brands. Further, our brand ‘Panchakanya’ and the package design of our product ‘Panchakanya Gold’, ‘Panchakanya Krishna’ and ‘Panchakanya Sharbati’ is assigned and registered, respectively, in the name of our Promoter Group member, Manish Kumar Sahu. We have executed a deed of assignment with our promoter group member to record the terms of usage of the said trademarks and have filed an application with the Trade Mark Registry for registration of the said trade marks in the name of our Company. In the event, we are unable to protect our intellectual property rights or brand names, it could

have a material impact on our goodwill, business operations, financial condition and results of operations” on page 36.

A. Material Licenses and Approvals required to be obtained by our Subsidiary

Panchakanya Foods Private Limited

Tax Related Approvals

- d) Certificate dated October 5, 2023 bearing file number KOLIECPAPPLY00021727AM24 issued by Office of the Additional Director General of Foreign Trade, Kolkata, Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India, for allotting Importer-Exporter Code number, AANCP6351M to our Subsidiary.

Licenses/ Approvals for which applications have been made by our Subsidiary and are pending:

Our Subsidiary has made an application dated October 3, 2023 before the Department of Commercial Taxes, Government of Bihar for obtaining a license required under the Central Goods and Services Tax Act, 2017 for Bihar state.

Licenses / Approvals which are required but not yet applied for by Panchakanya Foods Private Limited:

One of the Objects of the Issue is to “Investment in our wholly owned Subsidiary, Panchakanya Foods Private Limited (“PFPL”) for setting up a manufacturing unit in Patna, Bihar, comprising an ultra-modern highly automated roller flour mill and chakki whole wheat atta mill”. Our Subsidiary, Panchakanya Foods Private Limited shall apply for the following licenses and approvals, prior to commencement of its business operations:

S. No.	Particulars of licenses	Tentative Time Period of application
1.	License under Food Safety and Standards Act, 2006	Before trial run of manufacturing unit
2.	Industrial Entrepreneurs Memorandum issued by Secretariat of Industrial Assistance, Ministry of Commerce & Industry, Government of India	Post execution of lease deed
3.	License to work a factory under Section 6(1) of the Factories Act, 1948	After Commissioning of manufacturing unit
4.	Consent to Establish under section 25 /26 of the 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
5.	Consent to operate under Section 25 / 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 of the Air (Prevention & Control of Pollution) Act, 1981	Before trial run of manufacturing unit
6.	Certificate of verification of weights and measures issued under the Legal Metrology Act, 2009	After Installation of weights, etc.
7.	License issued by Agricultural and Processed Food Products Export Development Authority	Before placement of orders
8.	EPCG License	Before import of plant and machinery
9.	Certificate of Exemption for Ground Water Withdrawal	Before digging of borewell
10.	Electricity - Industrial	Before trial run of manufacturing unit
11.	Building Plan Approval	After complete plan is ready
12.	Legal Entity Identification Number	Before Loan Documentation
13.	Udyam Aadhaar Registration	Post execution of lease deed

OTHER REGULATORY AND STATUTORY DISCLOSURES

CONFIRMATIONS

2. Except as stated below, there has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors:

SEBI initiated adjudication proceedings against several persons and entities including our Independent Director, Raj Kumar Lakhota alleging generation of artificial volumes by executing non-genuine/reversal trades on the same day, in violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. Raj Kumar Lakhota filed an application under the SEBI Settlement Scheme, 2022 for settling the charges levied by SEBI. Subsequently, pursuant to a common order dated March 8, 2023 passed by whole-time members of SEBI, a penalty of ₹1,00,000 on Raj Kumar Lakhota. Raj Kumar Lakhota has made a payment of the aforementioned amount to the Securities and Exchange Board of India on October 13, 2022.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM

Price Information of past issues handled by the Book Running Lead Manager

SME:

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*	
1.	Cosmic CRF Limited	57.21	314.00	June 30, 2023	251.20	3.54%	2.80%	NA	NA	NA	NA

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at premium - 180 th calendar day from listing day*		
			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%
2023-24	1	57.21	NIL	NIL	1	NIL	NIL	NIL	NA	NA	NA	NA	NA	NA

The BRLM has not undertaken any issuance in the Main Board Segment of the Stock Exchanges.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at www.horizonmanagement.in
