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DRAFT RED HERRING PROSPECTUS
Dated: August 28, 2024
Please read Section 26 and 32 of The Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

IDENTICAL BRAINS STUDIOS LIMITED

CORPORATE IDENTITIFICATION NUMBER: U22219MH2019PLC320624

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai - 400 053, Maharashtra, India	**Pallavi Ashok Chavan** Company Secretary and Compliance Officer	**Email:** investor@identicalbrains.com **Telephone:** 022 - 6894 3898	www.identicalbrains.com

THE PROMOTERS OF OUR COMPANY ARE RAGHVENDRA RAI AND SAMEER RAI

DETAILS OF OFFER TO PUBLIC, PROMOTER/SELLING SHAREHOLDER

TYPE	FRESH ISSUE SIZE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG QIB, NIB & RIB
Fresh Issue	Up to 36,94,000 Equity Shares aggregating to ₹ [●] Lakhs	Not Applicable	Up to 36,94,000 Equity Shares aggregating to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229 (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 242. For details of share reservation among QIBs, NIBs and RIBs, see "*Issue Structure*" on page 257

RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10/- each. The Floor Price, Cap Price and Issue Price determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Issue Price*" on page 106 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 35.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of NSE ("**NSE Emerge**"). For the purpose of the Issue, NSE is the Designated Stock Exchange.

DETAILS OF BOOK RUNNING LEAD MANAGER ("BRLM")

Logo	Name	Contact Person	Telephone	Email
SOCRADAMUS Wisdom For Finance	Socradamus Capital Private Limited	Kritika Rupda	022 - 4961 4235	info@socradamus.in

DETAILS OF REGISTRAR TO THE ISSUE

Logo	Name	Contact Person	Telephone	Email
	Bigshare Services Private Limited	Babu Rapheal C	022 - 6263 8200	ipo@bigshareonline.com

BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]**	BID / ISSUE OPENS ON	[●]	BID / ISSUE CLOSES ON	[●]***

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.
**** Our Company in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.*
 # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Date.

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DRAFT RED HERRING PROSPECTUS
Dated: August 28, 2024
Please read Section 26 and 32 of The Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

IDENTICAL BRAINS STUDIOS LIMITED

Our company was incorporated as a One Person Company under the name "*Identical Brains (OPC) Private Limited*" under the provisions of the Companies Act, 2013 vide certificate of incorporation dated February 04, 2019 issued by the Assistant Registrar of Companies, Central Registration Centre, Manesar. Further, our company was converted from a OPC to private limited company pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on April 02, 2021 and the name of our Company was changed to "*Identical Brains Private Limited*" with a fresh Certificate of Incorporation dated July 08, 2021 issued by the Registrar of Companies, Mumbai. Subsequently, the name of our company was changed to "*Identical Brains Studios Private Limited*" pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on March 22, 2024, consequent upon which, a fresh certificate of incorporation dated June 18, 2024 was issued by the Assistant Registrar of Companies, Central Registration Centre. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on June 21, 2024 and the name of our Company was changed to "*Identical Brains Studios Limited*" with a fresh certificate of incorporation dated August 12, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U22219MH2019PLC320624. For further details on incorporation and registered office of our Company, see "*History and Certain Corporate Matters*" on page 187.

Corporate Identification Number: U22219MH2019PLC320624;
Registered & Corporate Office: 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai - 400 053, Maharashtra, India;
Contact Person: Pallavi Ashok Chavan, Company Secretary and Compliance Officer;
Telephone: 022 - 6894 3898; **Email:** investor@identicalbrains.com; **Website:** www.identicalbrains.com

THE PROMOTERS OF OUR COMPANY ARE RAGHVENDRA RAI AND SAMEER RAI

INITIAL PUBLIC OFFERING OF UPTO 36,94,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.
THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY, OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH. THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND ALL EDITIONS OF THE MARATHI DAILY NEWSPAPER, [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid / Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum period of one Working Day, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price band and the revised Bid / Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a public notice and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made through the Book Building process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations and in compliance with Regulation 253(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs (the "**QIB Portion**"), provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Issue Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders ("**Non-Institutional Portion**") subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Issue Procedure*" on page 260.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the equity shares of our Company. The Issue Price, Floor Price or the Price Band as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 106 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 35.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our **Company**, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of NSE ("**NSE Emerge**"). Our Company has received "In-Principle" approval from the NSE Emerge for the listing of the Equity Shares pursuant to letter dated [●]. For the purpose of the Issue, NSE is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 294.

BOOK RUNNING LEAD MANAGER ("BRLM")	REGISTRAR TO THE ISSUE
SOCRADAMUS CAPITAL PRIVATE LIMITED Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Telephone:** 022 – 4961 4235 **Email:** info@socradamus.in **Investors Grievance e-mail:** investors@socradamus.in **Website:** www.socradamus.in **Contact Person:** Kritika Rupda **SEBI Registration Number:** INM000013138	**BIGSHARE SERVICES PRIVATE LIMITED** Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India **Telephone:** 022 - 6263 8200 **Email:** ipo@bigshareonline.com **Investor Grievance e-mail:** investor@bigshareonline.com **Website:** www.bigshareonline.com **Contact Person:** Babu Rapheal C **SEBI Registration Number:** INR000001385

BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]**	BID / ISSUE OPENS ON	[●]	BID / ISSUE CLOSES ON	[●]***

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.
**** Our Company in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.*
 # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Date.

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Table of Contents

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms in "Basis for Issue Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "Restated Financial Information", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Main Provisions of the Articles of Association" on pages 106, 113, 116, 179, 210, 234, 260 and 279 respectively, shall have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
Identical Brains / The Company / Our Company / The Issuer / Identical Brains Studios Limited	Identical Brains Studios Limited, a public limited company incorporated in India under the Companies Act, 2013 having its Registered Office at 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
AoA / Articles / Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on August 17, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 196
Auditors / Statutory Auditors / Peer Reviewed Auditors	The current statutory and peer reviewed auditors of our Company, being M/s S C Mehra & Associates LLP
Bankers to our Company	IndusInd Bank Limited
Board of Directors / Board / Directors (s)	The Board of Directors of our company, including all duly constituted Committees thereof described in "*Our Management – Board of Directors*" on page 190
Chairman / Chairperson	Raghvendra Rai, the Chairman of our Company. For details with respect to his profile, see "*Our Management – Brief Profile of our Directors*" on page 191
Chief Financial Officer / CFO	Milind Bhikajirao More, the Chief Financial Officer of our Company. For details with respect to his profile, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 202
Company Secretary and Compliance Officer	Pallavi Ashok Chavan, the Company Secretary and Compliance Officer of our Company. For details with respect to her profile, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 202
Corporate Identification Number / CIN	U22219MH2019PLC320624
Corporate Office / Registered Office / Registered and Corporate Office	The registered and corporate office of our Company situated at 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India
D&B	Dun & Bradstreet Information Services India Private Limited
D&B Report	Industry report titled "*Report on VFX Industry in India*" dated August 20, 2024 which is exclusively prepared for the purpose of the Issue and issued by D&B and is commissioned and paid for by our Company. D&B was appointed on August 17, 2024. The D&B Report

Term	Description
	will be available on the website of our Company at https://identicalbrains.com/IPO_1.php until the Bid / Issue Closing Date
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each
Equity Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
Executive Directors	The Executive Directors of our Company, being Raghvendra Rai and Sameer Rai, as disclosed in the chapter "*Our Management*" on page 190
Group Companies	Our group companies, as disclosed in chapter "*Our Group Companies*" on page 241
Independent Directors	Non-executive, independent director appointed as per the Companies Act, 2013 and the SEBI LODR Regulations namely Shridhar Sanjay Tari and Rakesh Ramchandra Pawar. For details of our Independent Directors, see "*Our Management*" on page 190
ISIN	International Securities Identification Number. In this case being INE0TD101011
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in "*Our Management – Key Managerial Personnel and Senior Management*" on page 202
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated August 17, 2024, or identification of material (a) outstanding litigation proceedings of our Company, our Promoters and our Directors; (b) group companies; and (c) creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus
Managing Director	The Managing Director of our Company, being Raghvendra Rai
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on August 17, 2024 in accordance with Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 196
Non-Executive Directors	The non-executive director(s) of our Company, including our Independent Directors, namely Stevina Alban Vaity, Shridhar Sanjay Tari and Rakesh Ramchandra Pawar. For details of our Non-Executive Directors, see "*Our Management*" on page 190
Promoters	The Individual Promoters of our Company being Raghvendra Rai and Sameer Rai
Promoter Group	Persons and entities constituting the promoter group of our company pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations as disclosed in "*Our Promoters and Promoter Group*" on page 206
Registrar of Companies / RoC	Registrar of Companies, Mumbai, Maharashtra
Restated Financial Information	The Restated Financial Information of our Company comprising of the Restated Summary Statement of Assets & Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Summary Statement of Profit and Loss, the Restated Summary Statement of Cash Flows and Restated Statement of Changes in Equity for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 and the material accounting policies and explanatory notes. The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended (the "**Guidance Note**"); and (d) the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act. The Restated Summary Statements have been compiled from Audited financial statements of our Company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 which were in accordance with AS
Senior Management	The Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and described in "*Our Management – Key Managerial Personnel and Senior Management*" on page 202
Shareholders	The equity shareholders of our Company

Term	Description
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee of our Company, constituted on August 17, 2024 in accordance with Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 196

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a Prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are allotted
Anchor Investor (s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹200.00 Lakhs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as a Bid for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid / Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date and in the even the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid / Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker (s) to the Issue	Collectively, Escrow Collection Bank, Refund Bank, Public Issue Account Bank and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, as described in "*Issue Procedure*" on page 260

Term	Description
Bid	An indication to make an offer during the Bid / Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Bidder pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located). In case of any revisions, the extended Bid / Issue Closing Date shall also be notified on the website of the BRLM and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank, and shall also be notified in an advertisement in the same newspapers in which the Bid / Issue Opening Date was published, as required under the SEBI ICDR Regulations. Our Company in consultation with the Book Running Book Running Lead Manager may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations
Bid / Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be published in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located)
Bid / Issue Period	Except in relation to Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the BRLM, consider closing the Bid / Issue Period for the QIB Category one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSBs Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Book Running Lead Manager / BRLM	The Book Running Lead Manager to the Issue namely, Socradamus Capital Private Limited

Term	Description
Broker Centres	Broker centres notified by the Stock Exchange where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the website of the Stock Exchange at www.nseindia.com
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to being a minimum of 105% of the Floor Price
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) / CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI RTA Master Circular and UPI Circulars as issued by SEBI, as per the list available on the respective website of the NSE, as updated from time to time
Cut-off Price	Issue Price, finalised by our Company, in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, Bidder status, occupation, bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs, Non-Institutional Bidders Bidding with an application size of up to ₹5.00 Lakhs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders with an application size of more than ₹5.00 Lakhs (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated Market Maker / Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com

Term	Description
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange / Stock Exchange	NSE Emerge
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus filed with the Stock Exchange and issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
Eligible FPI (s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI (s)	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Banker(s) to the Issue for, among other things, the appointment of the Sponsor Bank, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Escrow Collection Bank	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time issued. The General Information Document is available on the websites of the Stock Exchange and the BRLM
Issue	The initial public offering of up to 36,94,000 Equity Shares for cash at a price of ₹ [●] each (including premium of per ₹ [●] each) aggregating ₹ [●] Lakhs comprising the Net Issue and the Market Maker Reservation Portion
Issue Agreement	The agreement dated August 22, 2024 entered amongst our Company and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Issue Proceeds / Gross Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see "*Objects of the Issue*" on page 89
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity shares of ₹10/- each at an Issue Price of ₹ [●]/- aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Issue of our Company
Market Making Agreement	The agreement dated [●] entered amongst our Company, Designated Market Maker and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain market making arrangements are agreed to in relation to the Issue

Term	Description
Mobile App (s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Minimum NIB Application Size	Bid amount of more than ₹2.00 Lakhs in the specified lot size
Mutual Fund	Mutual Funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Issue	The Issue less the Market Maker Reservation Portion
Net Proceeds	The Gross Proceeds from the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue related expenses, see "*Objects of the Issue*" on page 89
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non – Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹2.00 lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of NSE for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations
OCB / Overseas Corporate Body	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
Price Band	Price band ranging from a minimum price of ₹ [●] per Equity Share (Floor Price) to the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid / Issue Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be made available to the Stock Exchange for the purpose of uploading on their respective website
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Issue Price
Promoters' Contribution	Aggregate of 20% of the post-Issue Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of 3 years from the date of Allotment
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined in accordance with the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account opened with the Public Issue Account Bank, being [●] under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	[●], with which the Public Issue Account is opened for collection of Bid Amounts from Escrow Account and ASBA Accounts on the Designated Date

Term	Description
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Issue
QIB Category / QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue consisting of [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The bank account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and stock brokers registered with the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI
Registrar / Registrar to the Issue	Bigshare Services Private Limited
Registrar Agreement	The agreement dated August 22, 2023 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of in terms of SEBI RTA Master Circular
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidders / RIBs	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹2.00 lakhs in any of the Bidding options in the Issue (including HUFs applying through their *Karta* and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	The Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Issue Period or withdraw their Bids until Bid / Issue Closing Date

Term	Description
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI RTA Master Circular, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 respectively, as updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Bankers to the Issue registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, which has been appointed by our Company to act as a conduit between the Stock Exchange and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Member, to collect ASBA Forms and Revision Forms
Syndicate / Members of the Syndicate	The Syndicate Members
Syndicate Agreement	Agreement dated [●] to be entered into amongst our Company, the BRLM, the Syndicate Members and the Registrar to the Issue in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue and carry out activities as an underwriter
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriter	Socradamus Capital Private Limited
Underwriting Agreement	The Agreement among the Underwriter and our Company dated [●]
UPI	Unified Payments Interface, which is an instant payment system developed by the NPCI

Term	Description
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with a Bid size of up to ₹5.00 lakhs in the Non-Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the bid cum application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI), along with the circulars issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Bid and by way of a SMS for directing the UPI Bidder to such UPI mobile App) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI App equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Issue in accordance the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price band; and (ii) Bid / Issue Period, the expression "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (iii) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS 18	Accounting Standard 18, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021, as amended and the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Companies Act, 2013

Term	Description
BSE	BSE Limited
Calendar Year / year	Unless the context otherwise requires, shall refer to the 12 months period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and any modifications thereto or substitutions thereof, issued from time to time
COVID – 19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, CDSL and NSDL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GoI / Government / Central Government	Government of India
GST	Goods & Services Tax
HUFs	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act / IT Act	Income Tax Act, 1961, as amended from time to time
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
IGAAP / Indian GAAP / AS / Accounting Standards	Generally Accepted Accounting Principles in India, i.e. Accounting standards notified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2021, as amended and the Companies (Accounts) Rules, 2014, as amended
IPO	Initial Public Offer
IST	Indian Standard Time
KYC	Know Your Customer
MAT	Minimum Alternate Tax

Term	Description
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rupee / Rs. / ₹ / INR	Indian Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
STT	Securities Transaction Tax
US$ / USD / US Dollar	United States Dollar, the official currency of the Unites States of America
USA / U.S. / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Business, Technical and Industry - Related Terms

Term	Description
2D	Two-Dimensional. Form of visual representation that has height and width but lacks depth
2D animation	Two-Dimensional animation. Art of creating movement in a two-dimensional space
2D content	Two-Dimensional content. Media that is created or presented in two dimensions, having only height and width but no depth. This type of content is flat and does not provide the illusion of three-dimensional space. It is commonly used in various forms of visual media, including animation, graphics, illustrations, and traditional film and television
2D Tracking	Process of tracking the position, rotation, scale, and skew of an object or a camera in two dimensions. It can be used to match the movement of a video layer to another layer, such as adding text, graphics, or stickers to a video. It can also be used to stabilize shaky footage, remove unwanted objects, or create simple animations
360-degree footage	Video content that captures a complete, spherical view of the environment around the camera. This type of footage allows viewers to explore all directions—up, down, and around—as if they were standing in the centre of the scene. It is commonly used in virtual reality experiences, immersive videos, and interactive media
360-degree videos	Video recordings where a view in every direction is recorded at the same time, shot using an omnidirectional camera or a collection of cameras
3D	Three-Dimensional. Visual representation that includes height, width, and depth, creating a more realistic or spatial perception
3D animation	Three-Dimensional animation. Process of creating moving, three-dimensional images in a digital context. These visuals are made using 3D software, allowing animators to create computerized objects that look 3D even though they're on a 2D surface
3D conversion	Three-Dimensional conversion. Animation process of transforming 2D footage into 3D format, allowing it to be viewed with stereoscopic depth. This technique is often used to convert traditional films or videos into 3D, creating a more immersive viewing experience
3D model	Three-dimensional model. Digital representation of an object, character, environment, or any other visual element used in visual effects for films, television, video games, and other media
3D modelling	Three-Dimensional modelling. Process of creating three-dimensional representations of an object or a surface using a computer-based 3D modelling software
3D scenes	Three-Dimensional scenes. Environments or sequences that exist in three dimensions, allowing objects, characters, and camera movements to be rendered with depth, perspective, and spatial relationships
3D tracking	Three-Dimensional tracking. Process of tracking the position, rotation, and scale of an object or a camera in three dimensions. It can be used to create realistic 3D visual effects, such as adding 3D models, particles, or lights to a video, or replacing a background with a 3D environment. It can also be used to reconstruct the 3D geometry and the camera motion of a scene, or to create virtual reality or augmented reality applications
Action	Genre characterized by dynamic and intense sequences that focus on physical feats, including fights, chases, explosions, and other high-energy scenes
Advertisement	Means of communication in which a product, brand or service is promoted to a viewership in order to attract interest, engagement, and sales
Advertisers	A person or business that pays to advertise a product or service
AI	Artificial Intelligence. Technology that enables computers and machines to simulate human intelligence and problem-solving capabilities
Animatics	String of storyboard images edited together with sound to illustrate how a sequence will flow in motion
Animation	Technique that creates an illusion of movement in a sequence by photographing successive drawings or models
Animation projects	Project that generally consists of a sequence of images of the motion of objects to create a video
Animation software	Set of computer programs that allow you to create images or objects that move through time in a realistic manner
AR	Augmented Reality. An interactive experience that enhances the real world with computer-generated perceptual information
Architectural visualizations	Art of generating realistic 3D visualizations (renders) of buildings, interiors, landscapes, and other designed environments using specialized software
Archiving	Process of storing and managing digital assets, project files, and finished work in a systematic and secure manner for long-term preservation

Term	Description
Audience	Viewers or consumers of visual effects content in various media formats, such as films, television shows, video games, and virtual reality experiences
AVGC	Animation, Visual Effect, Gaming, and Comic. It is a term used to collectively describe the industries and creative sectors involved in producing animated content, visual effects, video games, and comic books. These fields often overlap in terms of skills, technology, and creative processes, and together they form a significant part of the digital entertainment and media industry
AVGC Task Force	Animation, Visual Effects, Gaming and Comics (AVGC) Task Force. Formed by the Indian government to recommend strategies for boosting the AVGC sector. This task force focuses on policy formulation, skill development, and creating a favourable ecosystem for growth of the visual effects industry, enhancing its global positioning and ensuring sustainable development in the sector
Average duration to complete a project (days)	It means the average timeline from the start to the completion of a VFX project. This encompasses all stages such as pre-production, production, and post-production. The total timeline depends upon project scope, available resources, customer requirements, technological complexity, and revisions
Beauty fixes	Digital enhancement and refinement of an actor's appearance or specific elements within a shot. These adjustments are made to improve visual aesthetics, correct imperfections, or achieve a desired look that aligns with the creative vision of the project
Big-budget productions	These refer to films, television shows, or other media projects that have substantial financial backing, often involving significant investment in various aspects of production to achieve high-quality results and broad market appeal
Blockbusters	A work of entertainment—typically used to describe a feature film produced by a major film studio, but also other media—that is highly popular and financially successful
Blood compositing	Process of integrating digital or practical blood effects into a live-action scene to make them appear realistic and believable
Broadcast packaging	Comprehensive design and branding elements that surround a television or radio broadcast. This includes visual and auditory components that enhance the presentation of content and contribute to the overall viewer or listener experience
Broadcasting	Distribution of audio or video content to a dispersed audience via any electronic mass communications medium, but typically one using the electromagnetic spectrum (radio waves), in a one-to-many model
CAGR	Compound Annual Growth Rate. Mean annual growth rate of an investment over a period longer than one year
Capex	Capital expenditure. Funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. It is often used to undertake new projects or investments by a company
CBFC	Central Board of Film Certification. Responsible for regulating the content of films, including those with visual effects, to ensure they meet censorship and certification standards before public release
Censorship and content guidelines	Rules and regulations governing the presentation, distribution, and accessibility of media content. These guidelines are designed to control or restrict content based on cultural, legal or moral standards
CGI	Computer-Generated Imagery. Specific-technology or application of computer graphics for creating or improving images in art, printed media, simulators, videos and video games
Character animation	Specialized area of the animation process, which involves bringing animated characters to life
Character creation	Process of designing and developing characters for various forms of media, including films, television, video games, animations, and literature. This process involves crafting a character’s personality, appearance, backstory, and role within the narrative
Character portrayals	Representation and depiction of characters in various forms of media, including film, television, theatre, animation, and video games. This encompasses how characters are visually and behaviourally presented to convey their personalities, emotions, and roles within a story
Character rigging	Process of creating the conditions for skeletal character movement in animation
Characters	Fictional or real individual depicted in various forms of media, including literature, film, television, theatre, animation, and video games. Characters are central to storytelling, driving the narrative forward through their actions, decisions, and interactions

Term	Description
Chase sequences	Dynamic scenes in film, television, or video games where characters engage in pursuit or evasion, typically involving high tension, fast-paced action, and often physical or vehicular movement. These sequences are designed to create excitement, suspense, and engagement for the audience
Chroma key	A technique used in film, television, and video production to replace a specific colour in the background with a different image or video. This technique is commonly referred to as green screen or because green is the most frequently used colours for the background due to their distinctness from human skin tones
Cityscapes	An artistic representation, such as a painting, drawing, print or photograph, of the physical aspects of a city or urban area. It is the urban equivalent of a landscape
Cloud computing	Delivery of computing services—including servers, storage, databases, networking, software, analytics, and intelligence—over the Internet (the cloud) to offer faster innovation, flexible resources, and economies of scale
Cloud-based solutions	Applications, storage, on-demand services, computer networks, or other resources that are accessed with an internet connection through another provider's shared cloud computing framework
Cloud-enabled media services	Media and entertainment solutions that leverage cloud computing technologies to deliver, manage, and distribute content. These services utilize the scalability, flexibility, and efficiency of cloud infrastructure to handle various media tasks, including storage, processing, and distribution
CMIE	Centre for Monitoring Indian Economy. An independent private limited entity that serves both as an economic think-tank as well as a business information company
Colour grading	Process of adjusting and enhancing the colour of footage to achieve a specific look or mood
Comedies	Genre of entertainment designed to amuse and entertain through humour
Commercials	Short advertisements designed to promote products, services, or brands. They are broadcasted or displayed across various media platforms, including television, radio, online, and print, to reach potential customers and drive sales or brand awareness
Compositing	Process of taking several visual elements from different sources and combining them into a single video
Compositing artists	Specialized professionals responsible for combining various visual elements into a final image or sequence that looks seamless and coherent
Compositing software	Type of digital tool used in visual effects and video production to combine multiple visual elements into a single cohesive image or sequence
Concept art	Visual representation ideas used to define the look of a product, movie, video game, or animation before production
Concept design	Broader process of planning and creating visual elements, including the design of characters, environments, and special effects, based on the concepts developed through the art
Content	Any form of information or material presented through various media channels. This can include text, images, audio, video, or interactive elements, and is created to inform, entertain, or engage an audience
Contractual agreements	Contracts play a critical role in intellectual property rights regulation for the visual effects industry. Agreements between studios, artists, and clients should clearly define intellectual property ownership, usage rights, and compensation
Co-production agreements	Formal contracts between two or more entities—such as production companies, studios, or international partners—collaborating on the creation and financing of a media project, typically a film or television production. These agreements outline the roles, responsibilities, financial contributions, and rights of each party involved in the project
Copyright Law	Copyright Act of 1957. An Act to amend and consolidate the law relating to copyright to safeguard original works of authorship, encompassing visual effects. This protection covers both the artistic and technical aspects of visual effects, including designs, animations, and computer - generated imagery elements
CPI	Consumer Price Index. It is also known as retail inflation and measures the average change in prices paid by consumers over a period of time for a basket of consumer goods and services
Creature creation	Process of designing, developing, and animating fantastical or realistic creatures using visual effects techniques
Cutting-edge software	Most advanced and innovative software solutions that incorporate the latest technologies, features, and functionalities

Term	Description
Cutting-edge VFX	Cutting-edge Visual Effects. The most advanced and innovative visual effects techniques and technologies used in film, television, and other media. These state-of-the-art visual effects methods push the boundaries of what is visually possible, enhancing the realism, creativity and impact of visual storytelling
Data protection and privacy laws	The regulations and guidelines that govern the handling, storage, and processing of personal and sensitive data related to projects and individuals involved in the visual effects industry. These laws ensure that data is managed responsibly and that privacy is protected throughout the production process
Day-to-night conversion	Process of transforming footage or scenes originally shot in daylight into a nighttime setting. This technique involves various visual effects and colour grading methods to simulate the look and atmosphere of night
Debt-Equity Ratio	Debt-Equity Ratio compares our company’s total liabilities with our shareholder equity and is used to assess the extent of our reliance on debt
Delivery	Final step in the production process where the completed visual effects are handed over to the client or the next stage of production. This includes ensuring that all the visual effects shots meet the required technical and creative specifications, are correctly formatted, and are ready for integration into the final project
Design layouts	Process of planning and arranging visual elements within a scene or sequence to achieve the desired look and feel for a film, television show, or other media projects
Design rights	The Design Act, 2000. This provides protection for the aesthetic aspects of a design, including the visual appearance of visual effects if they are new and original. This can cover graphical user interfaces or unique visual styles used in digital content
DI	Digital intermediate. Process of digitizing a film and then manipulating the colour and other image characteristics in a digital environment. This stage occurs after the film has been edited but before the final version is produced, allowing for precise control over the film's visual appearance
Digital	Data, systems, or processes that use electronic technology to store, process, and transmit information in a binary format
Digital characters	Computer-generated figures created using digital tools and techniques, typically for use in video games, films, animation, virtual reality, and other multimedia applications
Digital content	Any content that exists in the form of digital data
Digital India Initiative	This is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy
Digital media	Content that is created, distributed, and consumed in digital formats using electronic devices and technologies
Digital platforms	Online services used for creating, managing, and distributing visual effects content
Digital production	Process of creating and managing content through digital technologies and tools
Disney+	Disney Plus. This is a global streaming service created and owned by The Walt Disney Company's Streaming and Entertainment units
Disney+ Hotstar	Disney Plus Hotstar. An Indian subscription video-on-demand over-the-top streaming service owned by Disney India, a subsidiary of Disney Company, featuring domestic Indian film, television and sports content for India itself and its worldwide diaspora
DNEG India	Double Negative India. This is a subsidiary of the global visual effects giant DNEG and is a visual effects studio based in Mumbai
Drama	A genre of entertainment that focuses on serious, emotional, or thought-provoking stories, often depicting real-life situations, conflicts, and character development
DRM	Digital Rights Management. This is used to protect the visual effects content from unauthorized use and piracy
EBITDA	EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods
EBITDA Margin	EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement
ECLGS	Emergency Credit Line Guarantee Scheme. An initiative launched by the Government of India to provide financial support to Micro, Small, and Medium Enterprises and other eligible business entities facing financial distress due to the COVID-19 pandemic

Term	Description
Editing	Process of selecting, arranging, and refining video footage, audio, and visual effects to create a polished final product
Edtech	Education Technology. This refers to the use of software and hardware to enhance teaching and learning
Enforcement and dispute resolution	Mechanisms and processes used to manage and resolve conflicts, disputes, and ensure compliance within the visual effects industry
Entertainment	Various forms of media and activities designed to amuse, engage, and provide enjoyment to audiences
Environments	Digital or physical settings created or enhanced through visual effects techniques to serve as the backdrop for scenes in films, television shows, video games, and other media projects
Episodic content	A narrative format where a story or topic is divided into sequential episodes or parts
ERP	Enterprise Resource Planning. Software system used by organizations to manage and integrate key business processes across various departments
Fantastical elements	Imaginative or otherworldly components integrated into visual effects to create scenes, characters, or objects that do not exist in the real world
Fantastical landscapes	Imaginative and visually striking settings that are created or enhanced through visual effects techniques to depict worlds or environments beyond the bounds of reality
Fantasy	A genre of fiction that involves imaginative and often magical elements that deviate from the real world
FFI	Film Federation of India. This works to promote and develop the film industry in India, providing a platform for visual effects studios to engage with filmmakers and other stakeholders
FFO	Film Facilitation Office. This aims to promote India as a destination for film production, benefiting the visual effects industry by facilitating international co-productions and collaborations
Film productions	Entire process involved in creating a film, from initial conception to the final distribution. It encompasses all stages of filmmaking, including development, pre-production, production, post-production, and distribution
Filmmakers	Individuals responsible for turning scripts and ideas into finished motion pictures and managing different aspects of production from conceptualization to post-production
Filmmaking	Process of creating films, from the initial concept to the final product
Filmography	Comprehensive list or record of films associated with a particular individual, such as an actor, director, screenwriter, or producer
Films	Form of visual storytelling that uses moving images and sound to narrate stories, convey emotions, and present artistic expressions
Futuristic environments	Visually created settings that depict advanced or speculative future worlds
Gaming	Activity of playing video games or engaging in interactive entertainment through electronic devices. This includes a wide range of game genres, platforms, and formats, from traditional console and PC games to mobile games and virtual reality experiences
GDP	Gross Domestic Product. The total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period
Gen Z	Generation Z or Zoomers. Demographic cohort succeeding Millennials and preceding Generation Alpha
Genre	A category of artistic, musical, or literary composition characterized by a particular style, form, or content
GFCF	Gross Fixed Capital Formation. Component of the expenditure on gross domestic product that indicates how much of the new value added in an economy is invested rather than consumed
Global harmonization	Process of standardizing practices, workflows, and technologies across different countries and studios within the visual effects industry to ensure consistency, compatibility, and efficiency
GPU	Graphics Processing Units. A specialized electronic circuit initially designed for digital image processing and to accelerate computer graphics, being present either as a discrete video card or embedded on motherboards, mobile phones, personal computers, workstations, and game consoles
Green screen compositing	Process where footage shot against a green background is combined with other visual elements or backgrounds
Green screen removal	Technique used to replace a green (or sometimes blue) background with different visual elements or scenes

Term	Description
Green screens	A green background that video production teams use to place visual effects later during the post-production phase
GVA	Gross Value Added. Economic productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy, producer, sector, or region
Hardware	Physical components of a computer system that allow a user to perform functions like input, output, storage, and processing
High-fidelity games	Games that offer exceptionally high levels of visual and audio quality, providing a highly immersive and realistic experience for players and utilize advanced technologies and high-quality assets to achieve superior graphical detail and sound clarity
High-performance hardware	Computer components and systems designed to deliver superior performance, speed, and efficiency for demanding applications and tasks
Hollywood	It is a district in Los Angeles, California and is renowned globally as the epicentre of the American film and entertainment industry
HSBC Services Purchasing Managers' Index	Hong Kong and Shanghai Banking Corporation Services Purchasing Managers' Index. An economic indicator that measures the performance and health of the services sector within an economy
Human-Machine Collaboration	Humans and automated technology work alongside each other to achieve a shared goal
IIP Index	Index of Industrial Production. An abstract number, the magnitude of which represents the status of production in the industrial sector for a given period of time as compared to a reference period of time
ILM	Industrial Light & Magic. This is a pioneering American visual effects company
IMF	International Monetary Fund. A global organization that works to achieve sustainable growth and prosperity for all of its 190 member countries
Immersive 3D models	Immersive three-dimensional models. These are three-dimensional digital representations that provide a highly engaging and realistic experience for users, often used in virtual reality, augmented reality and interactive simulations
Immersive experiences	Interactive and engaging activities or environments that create a deep sense of presence and involvement for users
Immersive media formats	Media type that creates highly engaging and interactive experiences by leveraging advanced technologies to enhance the user's sense of presence and involvement. These formats are designed to fully engage multiple senses and provide a more realistic or interactive experience compared to traditional media
Immersive visuals	Highly engaging and realistic visual content designed to create a deep sense of presence and involvement for the viewer
In-camera tricks	Techniques used during the filming process to create special effects, illusions, or artistic visuals without the need for post-production digital effects
Indian cinema	This refers to the film industry in India, which is one of the largest and most diverse film industries in the world. It encompasses various regional cinema industries, each with its own languages, styles, and traditions
Information Technology Act, 2000	Law enacted by the Government of India to address legal aspects of electronic transactions, cybercrime, and data protection. It provides a legal framework for the use of electronic communications and digital signatures, aiming to facilitate e-commerce and ensure the security of electronic data
Investment in Property, Plant, Equipment and Software	Investment in Property, Plant, Equipment and Software assists our company to track capital expenditures incurred for to set up our VFX studios and offices over multiple periods
IP rights	Intellectual Property Rights. Legal protections granted to creators and owners of visual effects content, designs, and technologies. These rights safeguard the unique aspects of visual effects and innovations, ensuring that creators can control and benefit from their creations
Keying	Process of separating and isolating elements of an image by their colour or brightness. It is often done for visual effects (such as to remove green screens), or in colour correction (to add warmth just to skin tones)
Larger-than-life visuals	Striking, dramatic, or exaggerated visual elements designed to create a sense of grandeur and impact
LED	Light Emitting Diode. A semiconductor device that emits light when an electric current flows through it

Term	Description
LED walls	Light Emitting Diode walls. These are big screens made up of light emitting diodes to display video and any other visual content as if they were computer monitors
Lighting	Use of artificial or natural light to illuminate scenes, create mood, and enhance the visual impact of the content
Live events	Real-time, in-person or virtual occasions that involve audiences gathering to experience performances, presentations, or activities as they happen
Live-action footage	Film or video content that is recorded using real-world cameras and actors, as opposed to animation or computer-generated imagery. It captures actual performances, settings, and events, providing a realistic portrayal of scenes
Live-action shooting	Process of filming real people, objects, and environments using traditional cameras and equipment
M&E	Media and Entertainment. Industry which consists of film, print, radio, television, news, music, newspapers, magazines and books
Make in India	An initiative by the Government of India to create and encourage companies to develop, manufacture and assemble products in India
Marvel Cinematic Universe	An American media franchise and shared universe centred on a series of superhero films produced by Marvel Studios
Match move artists	These artists match computer-generated scenes with shots from live-action footage so the two can be convincingly combined
Match moving	Process of integrating computer-generated elements into live-action footage by accurately aligning them with the camera movements and perspectives captured during filming
Matte paintings	A painted representation of a landscape, set, or distant location that allows filmmakers to create the illusion of an environment that is not present at the filming location
Media ERP Suite	Media Enterprise Resource Planning Suite. Specialized Enterprise Resource Planning system designed to address the unique needs of the media and entertainment industry
MeitY	Ministry of Electronics and Information Technology. This is responsible for digital infrastructure and policies that impact the technology used in the visual effects industry, including data protection and digital innovation
Metaverse	A virtual-reality space in which users can interact with a computer-generated environment and other users
MIB	Ministry of Information and Broadcasting. This government ministry oversees the film and television industry in India, including policies and regulations related to content creation and distribution
Miniatures	These are scaled-down physical models used to simulate larger objects or environments. These miniatures are often employed to create realistic effects for scenes involving elements that are impractical or too costly to build at full scale, such as vehicles, buildings, or landscapes
ML	Machine Learning. This is a branch of artificial intelligence and computer science that focuses on the using data and algorithms to enable artificial intelligence to imitate the way that humans learn, gradually improving its accuracy
Mocap	Motion Capture. Technology-driven method of capturing an actor’s motion and physical performance so it may be translated to a computer-generated character
Modeling	The process of creating a 3-Dimensional character, object, or even an environment from a 2-dimensional sketch or photograph using 3D rendering software
MOSPI	Ministry of Statistics and Programme Implementation. Indian government ministry responsible for the development and maintenance of statistical standards, coordinating statistical activities across the country, implementation of various socio-economic programs and providing reliable and timely data for policy-making, planning, and administration
Motion Graphics	A form of digital animation that combines graphic design with motion to create dynamic visuals
Movies	A form of visual storytelling that combines moving images, sound, and often music to narrate a story or convey a message
Muzzle flash compositing	Process of integrating digital muzzle flash effects into live-action footage where firearms are used
Mythology	Genre of storytelling that involves ancient myths, legends, and traditional narratives from various cultures
NASSCOM	National Association of Software and Service Companies. This is a trade association for the Indian IT and business process outsourcing industries, which includes visual effects. It works to promote growth, innovation, and competitiveness in the sector

Term	Description
National Film Policy	Set of guidelines and strategic measures formulated by the Indian government to promote and develop the film industry
Na’vi	Indigenous humanoid species in the 2009 film Avatar
NCoE	National Centre of Excellence for Animation, Gaming, Visual Effects and Comics. An initiative by the Government of India designed to advance and support the animation, gaming, visual effects, and comic industries
New media	Digital forms of communication and content that have emerged with the advancement of technology and the internet
No. of clients	It represents the count of customers currently engaged with our company’s VFX services in a specific period
No. of projects completed	The number of projects completed by our company which typically refers to the total count of productions or assignments that our company has successfully worked on and delivered. It shows the level of experience and expertise in handling different types of visual effects. It reflects our capacity to handle multiple projects simultaneously and demonstrating our scalability and efficiency in managing resources and timelines. This contributes to our reputation for reliability, craftsmanship, and creative innovation within the VFX industry. Each completed project represents a customer served and potentially satisfied with the results. Repeat business and referrals often stem from a history of successfully completed projects
No. of permanent employees	Some VFX professionals work as full-time employees for our studio that specialize in visual effects. Permanent employees include roles such as VFX artists, Software Developers/ Engineers, Production Coordinators/Managers, supervisors and administrative staff
No. of contractual employees	Contractual VFX artists are hired based on project requirements, aiming to find the optimal balance of cost-efficiency and high-quality results within tight deadlines. They typically work on a project basis with contracts aligned to specific films, TV shows, commercials, or other productions
Optical effects	Techniques in which images or film frames are created photographically, either in-camera using multiple exposure, mattes or the Schüfftan process or in post-production using an optical printer
OTT platforms	Over-The-Top Platforms. Technology that delivers streamed content via internet-connected devices
Out-of-home media	Advertising that reaches consumers while they are outside their homes
PAT	Profit after tax helps us in identifying information regarding the overall profitability of the business
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of the business
Particle effects	Digital simulations of small particles that combine to create realistic or fantastical visual phenomena
Patents	Patents protect innovative technological processes or inventions used in the visual effects industry and are granted under the Patents Act, 1970
Performance capture	Technology used to record an actor's movements and expressions to create highly detailed and realistic digital characters or animations
PFL	Prime Focus Limited. This is a global leader in media and entertainment services, known for providing comprehensive creative, technology, production, and post-production solutions
PhantomFX	Phantom Digital Effects Limited. This is a leading visual effects and animation studio that has delivered thousands of shots for feature films, web series, and television commercials across the globe
Photorealistic mockups	Highly detailed and accurate visual representations created to closely mimic real-life objects, environments, or scenes. These mock-ups are designed to look as realistic as possible, often using advanced 3D modelling, texturing, and rendering techniques to achieve a lifelike appearance
Physical environments	Tangible, real-world settings in which people live, work, and interact
Piracy	Unauthorized use or distribution of copyrighted material or intellectual property
PLI	Production Linked Incentive Scheme. Initiative by the Government of India to enhance the manufacturing capabilities and competitiveness of various sectors in the country
PM Gati Shakti	Prime Minister Gati Shakti. Major infrastructure initiative launched by the Indian government aimed at improving connectivity across the country and boosting economic growth

Term	Description
Post-Production	This is the stage after production when the filming is wrapped and the editing of the visual and audio materials begins
Pre-Production	The stage of a film, television or commercial production that takes place before filming begins
Pre-visualization	Process of creating preliminary visual representations of scenes or sequences before actual production begins. This technique helps filmmakers, visual effects artists, and other stakeholders visualize complex sequences, plan camera angles, and coordinate effects in advance
Print	All forms of physical, printed paper publications such as newspapers, magazines, books and journals
Production	Stage where visual effects teams focus on asset creation, which involves designing characters, environments, and other digital elements
Production budgets	Financial plans and estimates for the costs involved in producing a project, typically within the entertainment industry such as films, television shows, or video games
Production houses	Entities responsible for overseeing and managing the production of media content, including films, television shows, commercials, and other forms of entertainment
Project-based contracts	Agreements between visual effects studios and clients for the provision of visual effects services for specific projects
Quality control	Processes and practices implemented to ensure that visual effects meet the required standards and expectations before they are finalized and delivered
R&D	Research and Development. Work undertaken in order to increase the stock of knowledge—and to devise new applications using available knowledge
Radio	Technology of communicating using radio waves
Real-time rendering technology	An animation that is rendered instantaneously and can be generated in less than a second
Reflection removal	Process of eliminating unwanted reflections from a scene or element to enhance the visual clarity and accuracy of a shot
Regional language cinema	Films produced in the various languages spoken in different regions of India, distinct from the mainstream or national language cinema
Rendering	Process where the data in a 3D scene is converted into a series of 2D images, as seen from the digital camera’s point of view
Return on Capital Employed	Return on capital employed provides how efficiently our Company generates operating returns from total capital employed in the business
Return on Equity	Return on equity provides how efficiently our Company generates returns from equity financing
Revenue from Operations	Revenue from VFX services is used by the management to track revenue generated from our business and overall revenue growth over multiple periods
Rig removal	Process of getting rid of unwanted elements from shots, ensuring the final outcome matches the client's vision
ROI	Return On Investment. Ratio that measures the profitability of an investment by comparing the gain or loss to its cost
Rotoscopers	Artists who specialize in the technique of rotoscoping
Rotoscoping	Process of creating animated sequences by tracing over live-action footage frame by frame
RRR	Rise Roar Revolt. Indian Telugu-language epic period action-drama film
Scenes	Distinct segments or sequences within a film, television show, play, or other narrative media that occur in a single location and time frame
Sci-fi	Science Fiction. A genre of speculative fiction, which typically deals with imaginative and futuristic concepts
Simulation	Process of creating realistic digital representations of natural phenomena and physical behaviours
Skill India Initiative	A government program launched by the Government of India in 2015 to promote and enhance vocational training and skills development across the country
Smart Cities Mission	A transformative initiative launched by the Government of India in June 2015 is aimed at promoting cities that provide core infrastructure, a clean and sustainable environment, and a high quality of life
Software	Computer programs that instruct the execution of a computer
Sound and picture post	Processes involved in the final stages of film or video production where sound and visual elements are refined and integrated to create the finished product
Sound design	Art and practice of creating soundtracks for a variety of needs

Term	Description
Special effects	Techniques and technologies that create illusions or enhance visual elements in a movie
StageCraft	This proprietary technology from Industrial Light & Magic creates massive LED video walls that project high-resolution environments, allowing actors to perform in virtual sets and enhancing realism
State-of-the-art Studios	Facilities equipped with the latest technology and tools for creating high-quality visual effects for films, television, commercials, and other media projects
Stereo 3D conversion	Stereo three-dimensional conversion. Process of creating a three-dimensional effect from 2D images or footage
Stop motion	Animated filmmaking technique in which objects are physically manipulated in small increments between individually photographed frames so that they will appear to exhibit independent motion or change when the series of frames is played back
Storyboards	A graphic representation of how a video will unfold, shot by shot
Storytelling	Art and technique of conveying narratives or stories through various mediums, including spoken word, written text, visual arts, film, theatre, and digital media
Streaming	Continuous transmission of audio or video files from a server to a client over the internet, allowing users to access and consume media content in real-time. The content is delivered in small chunks or packets that are played as they are received
Streaming platforms	Online services that allow users to access and watch digital media content, such as movies, TV shows, music, and live broadcasts, over the internet without needing to download the files. These platforms deliver content in real-time or on-demand, providing a seamless viewing experience through streaming technology
Studios	Specialized facilities focused on creating and integrating visual effects for films, television shows, commercials, video games, and other media projects
Television productions	The process of creating television content, involving the study of production processes, personnel, and the economic structures within the television industry
Television shows	Episodic programs produced for broadcast or streaming on television
Textures	2D images or patterns that are applied to the surface of a 3D model to give it colour, detail and realism
TPN	Trusted Partner Network. A global initiative aimed at raising the security standards within the media and entertainment industry, particularly in the visual effects and post-production sectors
Trademarks	These protect symbols, logos, and names used in the visual effects industry, such as studio names, branding, and product names and help in distinguishing services and products in the marketplace. These are granted under the Trademarks Act, 1999
Trade Receivables Turnover Ratio	Trade Receivables Turnover Ratio is used to quantify how efficiently our company is in collecting receivables from our clients. It helps in evaluating the number of times that receivables are converted to cash during a certain time period
Traditional media	All forms of communication used before the internet age, including radio, TV, newspaper, magazines, and billboards
TV	Television. Form of mass media based on the electronic delivery of moving images and sound from a source to a receiver
VFX	Visual effects. Process by which imagery is created or manipulated outside the context of a live-action shot in filmmaking and video production
VFX artists	Visual effects artists. Professionals who specialize in creating visual effects for films, television shows, video games, and other media. They use a combination of technical skills, creativity, and specialized software to create imagery that enhances or alters live-action footage or builds entirely digital scenes
VFX design	Visual effects design. Process of conceptualizing, planning, and creating visual effects that enhance storytelling in films, television, video games, and other media
VFX elements	Visual effects elements. Individual components or assets that are created and used in the visual effects process to enhance or modify a scene in film, television, video games, and other media
VFX integration	process of seamlessly incorporating computer-generated imagery or visual effects into live-action footage to create a cohesive and realistic final image
VFX production	Visual effects production. Process of creating and integrating visual effects into a film, television show, commercial, video game, or other forms of media
VFX supervisors	Experienced professionals responsible for overseeing the visual effects process in a film, television show, or other media production. They work closely with the director, producers,

Term	Description
	and other departments to ensure that the visual effects align with the creative vision, are technically feasible, and are delivered on time and within budget
Video games	Interactive digital or electronic games that involve players engaging with a computer, console, or mobile device to complete objectives, overcome challenges, or experience narratives
Viewers	Individuals who watch television programs, films, online videos, or other visual media content
Viewership rate	Percentage or number of viewers who watch a particular television show, movie, video, or streaming content within a specific period. It is a key metric used to gauge the popularity, audience engagement, and reach of the content
Viksit Bharat	Government's initiative to achieve the goal and vision of transforming India into a developed entity by 2047, the 100th year of independence for India
Virtual environment	Networked application that allows a user to interact with both the computing environment and the work of other users
Visual effects editing	process of integrating and refining visual effects within a film or video project
VP	Virtual Production. Media production technology in which a virtual set is displayed on large LED walls behind a physical set
VR	Virtual Reality. A computer-generated environment with scenes and objects that appear to be real, making the user feel they are immersed in their surroundings
Web series	Series of scripted or non-scripted online videos, generally in episodic form
Weta FX	Weta Effects. Weta FX is a New Zealand-based visual effects and animation studio
WIPO	World Intellectual Property Organization. International organization designed to promote the worldwide protection of both industrial property (inventions, trademarks, and designs) and copyrighted materials (literary, musical, photographic, and other artistic works)
Working Capital Turnover Ratio	This ratio helps our company to understand our efficiency in using our working capital to generate sales. It measures the relationship between the funds used to finance our company’s operations and the revenues our company generates to continue operations and turn a profit
WPI	Wholesale Price Index. Average movement of wholesale prices of goods

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S.", the "USA", or the "United States" are to the United States of America and its territories and possessions and all references to "U.K.", or "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland.

Page Numbers

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus is derived from the Restated Financial Information.

The Restated Financial Information of our Company comprises of the Restated Summary Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Summary Statement of Profit and Loss, Restated Summary Statement of Changes in Equity and Restated Summary Statement of Cash Flows for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022, and the material accounting policies and explanatory notes (together, the "**Restated Summary Statements**").

The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended (the "**Guidance Note**"); and (d) the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Summary Statements have been compiled from Audited financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 which were prepared to comply in all material respects with the AS notified under the section 133 of the Companies Act read with Rule 4 of the Companies (Accounting Standards) Rules, 2021 (as amended from time to time) and which have been approved by the Board of Directors at their meeting held on August 10, 2024, August 28, 2023 and September 19, 2022 respectively.

For further information on our Company's financial information, please see "*Restated Financial Information*" on page 210.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

In addition, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Company's financial year commences on April 1 and ends on March 31 of the next calendar year. Accordingly, all references in this Draft Red Herring Prospectus to a particular "Financial Year", "Fiscal" or "Fiscal Year", unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with AS, the Companies Act, 2013, the SEBI ICDR Regulations and Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. There are significant differences between Indian GAAP, IFRS and U.S. GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. For details in connection with risks involving differences between Indian GAAP, U.S. GAAP and IFRS, please see "*Risk Factors - Risks Relating to the Issue and the Objects of the Issue - Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 57.

Unless the context otherwise indicates, any percentage amounts (excluding certain operational metrics), with respect to the financial information of our Company in this Draft Red Herring Prospectus have been derived from the Restated Financial Information.

Non-GAAP Measures

Certain non-GAAP measures presented in this Draft Red Herring Prospectus such as Net Asset Value per Equity Share, EBIT, EBITDA, EBITDA Margin, Cash EBIT, Return on Capital Employed, Debt to Equity Ratio, Net Debt to Equity Ratio and Net Worth (collectively "**Non-GAAP Measures**") are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Accounting Standards, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Accounting Standards, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Accounting Standards, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP Measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company's management believes that they are useful information in relation to our business and financial performance.

For the risks relating to Non-GAAP Measures, see "*Risk Factors - Risks Relating to the Issue and the Objects of the Issue - We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS*" on page 56.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been derived from a report titled "*Report on VFX Industry in India*" dated August 20, 2024 (the "**D&B Report**") that has been commissioned and paid for by our Company and prepared by D&B exclusively for the purpose of understanding the industry our Company operates in, in connection with the Issue. The D&B Report is available on the website of our Company at https://identicalbrains.com/IPO_1.php, until the Bid / Issue Closing Date. D&B has confirmed pursuant to its letter dated August 22, 2024 that it is an independent agency and is not related, in any manner, to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the Book Running Lead Manager.

References to VFX Industry in India in the "*Industry Overview*" chapter on page 116 are in accordance with the presentation, analysis and categorisation in the D&B Report. Further, industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends.

The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which we conduct business, and the methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Other Risks - We have commissioned an industry report from Dun & Bradstreet Information Services India Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus.*" on page 54. Accordingly, no investment decisions should be made based on such information.

In accordance with the SEBI ICDR Regulations, the section titled *"Basis for Issue Price"* on page 106 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

Time and Year

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a Calendar Year.

Currency and Units of Presentation

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in lakhs. One lakh represents '1 lakh' or '1,00,000'. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources may be rounded off to other than two decimal points in the respective sources and such figures have been expressed in this Draft Red Herring Prospectus in such number of decimal points as provided in such respective sources. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	Exchange Rate as on*		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81

** If the RBI reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed. Source: www.fbil.org.in*
Note: Exchange rate is rounded off to two decimal places.

Notice to Prospective Bidders

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, Bidders must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved. The Equity Shares offered in the Issue have not been and will not be, registered under the U.S. Securities Act 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 state securities law. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no offering of securities in the United States.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "*aim*", "*anticipate*", "*are likely*", "*believe*", "*continue*", "*can*", "*could*", "*expect*", "*estimate*", "*intend*", "*may*", "*likely*", "*objective*", "*plan*", "*project*", "*propose*", "*seek to*", "*shall*", "*will*", "*will achieve*", "*will continue*", "*will likely*", "*will pursue*" or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. These forward-looking statements are based on our management's belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information. As a result, actual results could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Film and content producers reduce the amount of VFX content they produce and release;
- Unfavourable changes in or deterioration in our relationships with major studios and other content producers, including key creative talent;
- High Attrition rate of key creative talent in VFX Industry;
- Unfavourable changes in the evolving entertainment market which results in a decrease in need for our services;
- Security breaches and cyber threats;
- Acquisitions among film and content providers which may reduce the breadth of our customer base and could result in a narrower market for our services, increase competition and reduced negotiating leverage;
- Our inability to develop and maintain technologies to support our customers' evolving needs or our inability to maintain the quality of our services and reputation with its customers;
- Any delay, suspension or termination of our contracts with our customers; and
- Changes in government regulations affecting the entertainment industry or changes to applicable laws and regulations applicable to us and our customers.

Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Inability to maintain and develop our brand;

- Adverse statutory and regulatory actions from Income Tax Department or any other statutory or regulatory authority;

- Any adverse developments affecting Maharashtra where our registered office is located;

- Our business strategies and plans to achieve these strategies;

- Conflict of interest between our business and activities undertaken by entities in which certain of our directors and our Promoters have interest in future;

- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;

- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;

- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

- The occurrence of natural disasters or calamities;

- Other factors beyond our control; and

- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" pages 35, 158 and 214 respectively.

Neither our Company, nor the Book Running Lead Manager, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our company and the Equity Shares from the date of the Red Herring Prospectus until the date of the Allotment.

SECTION II – SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Our Business", "Industry Overview", "Our Promoters and Promoter Group", "Restated Financial Information" and "Outstanding Litigation and Material Developments" on pages 35, 64, 79, 89, 158, 116, 206, 210 and 234 respectively.

Primary Business of our Company

We are a TPN audited visual effects ("**VFX**") studio, offering comprehensive suite of VFX services in diverse range of projects such as films, web series, TV series, documentaries, and commercials. Our portfolio includes upcoming projects like *Tanaav 2*, *Criminal Justice 4*, and completed projects include *Khel Khel Mein*, *Murder in Mahim*, *Bad Cop*, *The Crew*, *Article 370*, *Mission Raniganj, Dream Girl 2*, *Indian 2*, *Rocket Boys*, *Bob Biswas*, *Kutch Express*, *Ek Villian Returns*, *Night Manager*, *Criminal Justice 3*, *Phone Bhoot*, *Satyamev Jayate 2*, *Angrezi Medium*, *Scam 1992: The Harshad Mehta Story*, *Good Newwz*, *Panipat* and many more.

Summary of the Industry in which our company operates

Visual Effects or VFX breathes life into the fantastical worlds and impossible scenarios by creation or manipulation of any imagery not filmed during live-action shooting, using techniques, including computer-generated imagery, compositing, and green screens, alongside services like 3D modeling, animation, rotoscoping, etc. The Indian VFX industry has grown from USD 107.7 million in CY 2020 to USD 647.2 million in CY 2023, with a CAGR of approximately 81.8% and growth rate exceeding 500%. The market is projected to nearly triple, jumping from USD 647 million in CY 2023 to USD 1,823 million by CY 2030, with a CAGR exceeding 15.9%. (*Source: D & B Report*)

Names of Promoters

As on the date of this Draft Red Herring Prospectus, our promoters are Raghvendra Rai and Sameer Rai. For further details, see *"Our Promoters and Promoter Group"* on page 206.

Details of the Issue

The following table summarizes the details of the Issue. For further details, see "*The Issue*" and "*Issue Structure*" on pages 64 and 257, respectively.

Present Issue of Equity Shares by our Company	Up to 36,94,000 Equity shares for cash at a price of ₹ [●]/- per Equity share (including a premium of [●] per Equity Share) aggregating up to ₹ [●] Lakhs
Of which:	
Market Maker Reservation Portion	Up to [●] Equity shares aggregating up to ₹ [●] Lakhs
Net Issue to the Public	Up to [●] Equity shares aggregating up to ₹ [●] Lakhs

The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on August 13, 2024 and by our Shareholders pursuant to a Special Resolution passed at the Annual General meeting held on August 16, 2024.

The Issue and Net Issue shall constitute [●] % and [●] %, respectively, of the post Issue paid-up Equity Share capital of our Company.

Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Funding capital expenditure towards renovation of existing Andheri office and studio;	51.78
2.	Funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("**DI**") and Sound Studio Set up at new branch office in Andheri;	286.49
3.	Funding capital expenditure towards establishment of new branch office in Lucknow;	75.56
4.	Funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company;	343.03
5.	Funding our incremental working capital requirements; and	704.00

Sr. No.	Particulars	Amount
6.	General corporate purposes	[●]
	Net Proceeds*	[●]

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.*

For further details, see "*Objects of the Issue*" on page 89.

Aggregate Pre-Issue Shareholding of our Promoters and the Members of our Promoter Group (Other than our Promoters)

The aggregate pre-Issue shareholding of our Promoters and the members of our Promoter Group (other than our Promoters) as a percentage of the pre-Issue paid-up Equity Share capital, on a fully diluted basis, of our Company is set out below:

Name of Shareholder	Pre-Issue	
	Number of Shares	**% holding**
Promoters		
Raghvendra Rai	88,50,600	85.66%
Sameer Rai	89,400	0.87%
Total (A)	**89,40,000**	**86.53%**
Promoter Group		
Nil	-	-
Total (B)	**-**	**-**
Total (A + B)	**89,40,000**	**86.53%**

For further details, see "*Capital Structure*" on page 79.

Summary derived from the Restated Financial Information

The following information has been derived from our Restated Financial Information for the Financial Years ended on March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs, except share data)

Particulars	As at and for the Fiscal ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Equity Share Capital	688.80	1.00	1.00
Net worth#	1,203.62	288.51	127.23
Revenue from operations	2,008.08	804.29	389.29
Restated Profit for the year	534.65	161.28	51.01
Earnings per equity share (Basic & diluted) (in ₹) @	5.18	1.56	0.49
Net Asset Value per Equity Share (in ₹) *	11.65	2.79	1.23
Total borrowings^	19.04	-	-

Notes:
 # Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation each as applicable for the Company on restated basis.
@ Earnings per share (basic and diluted) means Basic earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.
** Net asset value per equity share means total equity divided by weighted average number of equity shares.*
^ Total borrowings means total of long-term and short-term borrowings.

For further details, see "*Restated Financial Information*" and "*Other Financial Information*" on pages 210 and 211, respectively.

Auditor Qualifications

There are no qualifications by our Statutory Auditors which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of pending litigation proceedings as on the date of this Draft Red Herring Prospectus involving our Company, Directors, Promoter and our Group Companies as disclosed in the chapter titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations#	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	-	-	-	-	-	-
Against the Company	-	5	-	-	-	8.17
Promoters						
By Promoter	-	-	-	-	-	-
Against Promoter	-	1	-	-	-	0.08
Directors (other than Promoters)						
By our directors	-	-	-	-	-	-
Against the directors	-	-	-	-	-	-

 # Determined in accordance with the Materiality Policy.

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 35 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

As of March 31, 2024, we did not have any contingent liabilities as per AS 29.

Summary of Related Party Transactions

A summary of the related party transactions entered into by our Company for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022, as per AS 18 – Related Party Disclosures read with SEBI ICDR Regulations derived from the Restated Financial Information is detailed below:

i. List of related parties as per the requirements of AS 18 - Related Party Disclosures

a) Key management personnel
Raghvendra Rai (Chairman & Managing Director)
Sameer Rai (Executive Director and Lucknow Branch Head)
Milind More (Chief Financial officer)
Pallavi Chavan (Company Secretary & Compliance officer)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(b) Relatives of key management personnel and their enterprises where transaction have taken place
AR Creations
Virtual Box
Raghvendra Rai HUF
Umesh Rai
Kiran Rai
Rekha Rai
Ankur Rai
Alban Vaity

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

ii. Transactions carried out with Related Party referred to 1 above in ordinary course of business:

S. No.	Transactions	2023-24	2022-23	2021-22
	Salary Paid			
1.	Raghvendra Rai	27.61	18.00	6.00
2.	Alban Vaity	7.15	3.03	-
3.	Pallavi Chavan	0.20	-	-

S. No.	Transactions	2023-24	2022-23	2021-22
4.	Milind More	2.14	-	-
5.	Kiran Rai	-	5.77	-
6.	Umesh Rai	-	-	1.50
	Total Salary Paid	**37.10**	**26.80**	**7.50**
	Professional Fees Paid			
1.	Sameer Rai	15.68	10.59	5.50
2.	Rekha Rai	7.00	4.66	9.16
3.	Umesh Rai	-	4.00	6.00
4.	Ankur Rai	-	15.00	6.00
5.	Virtual Box	-	27.99	12.50
	Total Professional Fees Paid	**22.68**	**62.24**	**39.16**
	Payment made for Reimbursement of expenses			
1.	Raghvendra Rai	41.46	24.16	2.72
2.	AR Creations	-	-	2.48
	Total Payment made for Reimbursement of expenses	**41.46**	**24.16**	**5.20**
	Computer Services received			
1.	AR Creations	59.00	28.32	21.24
	Total Computer Services received	**59.00**	**28.32**	**21.24**
	Advertisement & Publicity Expenses			
1.	Raghvendra Rai HUF	18.00	-	-
	Total Advertisement & Publicity Expenses	**18.00**	**-**	**-**

S. No.	Balances	2023-24	2022-23	2021-22
	Trade and other payables			
1.	Raghvendra Rai	3.52	7.70	1.52
2.	Alban Vaity	1.02	0.37	-
3.	Pallavi Chavan	0.20	-	-
4.	Milind More	0.48	-	-
5.	AR Creations	4.80	14.14	-
6.	Virtual Box	4.49	4.49	-
7.	Rekha Rai	3.25	8.84	15.01
8.	Umesh Rai	0.50	0.50	6.90
9.	Ankur Rai	1.90	1.90	5.40
	Total Trade and other payables	**20.16**	**37.94**	**28.83**
	Trade and other receivables			
1.	Sameer Rai	0.20	(11.32)	(11.97)
	Total Trade and other receivables	**0.20**	**(11.32)**	**(11.97)**

iii. Terms and conditions of transactions with related parties

I. The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm's length transaction.
II. Outstanding balances at the period / year-end are unsecured and interest free.

Notes:

i. *Related parties have been identified by the management of the company and relied upon by the auditors.*

ii. *Transaction for the period is excluding indirect taxes, if any. Outstanding balances are including indirect taxes wherever applicable.*

iii. *Remuneration excludes provision for employee benefits as separate actuarial valuation for directors and key management personnel is not available.*

For details, please refer to chapter titled "*Other Financial Information – Related Party Transactions*" on page 213.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives (as defined in Companies Act, 2013) have financed the purchase by any other person of securities of our

Company, other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted Average Price at which specified securities were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus set forth in the table below:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	No. of Equity Shares acquired in last one year	Weighted Average cost of Acquisition per Equity Share in the last one year (in ₹) *
1.	Raghvendra Rai	88,50,600	88,40,700	-
2.	Sameer Rai^	89,400	29,800	-

Note: For arriving at the weighted average price at which the equity shares of the Company were acquired by the Promoters, only acquisition of equity shares which are allotted to them has been considered while arriving at weighted average price per Equity Share for last one year.
^Our Promoter, Sameer Rai has acquired 59,600 equity shares by way of gift from Umesh Rai.
**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Average Cost of Acquisition

The average cost of acquisition of Equity Shares by our Promoters as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Raghvendra Rai	88,50,600	0.01
2.	Sameer Rai	89,400	-

Note: Average cost of acquisition of Equity Shares of the Company held by the Promoters in respect of their respective shareholding in the Company is calculated as per FIFO Method.
^Our Promoter, Sameer Rai has acquired 59,600 equity shares by way of gift from Umesh Rai.
**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

For further details of the average cost of acquisition of our Promoters, see "*Capital Structure – Build-up of the Promoters shareholding in our Company*" on page 82.

Details of price at which specified securities were acquired in the three years preceding the date of this Draft Red Herring Prospectus

Except as set out below, no specified securities have been acquired in the three years preceding the date of this Draft Red Herring Prospectus, by our Promoters, Promoter Group and Shareholders with the right to nominate directors or with any other rights:

Name of the acquirer / shareholder	Date of acquisition of Equity Shares	Number of Equity Shares*	Acquisition price per Equity Share (in ₹)	Nature of Transaction
Promoters				
Raghvendra Rai	December 26, 2023	58,90,500	-	Bonus Issue
	July 01, 2024	29,50,200	-	Bonus Issue
Sameer Rai	January 15, 2024	59,600	-	Acquired pursuant to Gift
	July 01, 2024	29,800	-	Bonus Issue

Weighted Average Cost of Acquisition of all shares transacted in the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

Period	Number of Equity Shares transacted of face value ₹10/-each	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition@	Range of acquisition price per Equity Share: lowest price-highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	1,03,21,958	3.77	[●]	Nil^ - 25,500.00

Period	Number of Equity Shares transacted of face value ₹10/-each	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition@	Range of acquisition price per Equity Share: lowest price-highest price (in ₹)
Last 18 months preceding the date of this Draft Red Herring Prospectus	1,03,21,958	3.77	[●]	Nil^ - 25,500.00
Last three years preceding the date of this Draft Red Herring Prospectus	1,03,21,958	3.77	[●]	Nil^ - 25,500.00

@To be updated in the Prospectus upon finalisation of the Price Band.
^Nil is the lowest price since bonus issue for 68,76,415 equity shares was made on December 26, 2023 and 34,43,986 Equity shares on July 01, 2024.
**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Details of Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of equity shares for consideration other than cash in the last one year

Except as disclosed below, our company has not issued Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
December 26, 2023	68,76,415	10/-	-	Issue of bonus shares in the ratio of 595:1 (i.e. 595 new Equity Shares for every one Equity Share held)	Nil, except for expansion of capital base of our Company
July 01, 2024	34,43,986	10/-	-	Issue of bonus shares in the ratio of 1:2 (i.e. 1 new Equity Share for every two Equity Shares held)	Nil, except for expansion of capital base of our Company

For further details, please see "*Capital Structure – Equity Share Capital History of our Company*" on page 79.

Split / consolidation of equity shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI, as on the date of this Draft Red Herring Prospectus.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occurs, our business, financial condition, results of operations and cash flows could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Furthermore, some events may be material collectively rather than individually.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence have not been disclosed in the applicable risk factors. Prospective Bidders should read this section together with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Industry Overview" on pages 158, 214 and 116 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective Bidders should rely on their own examination of us and the terms of the Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Potential Bidders should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties where actual results could materially differ from those anticipated in these forward-looking statements. For further details, see chapter titled "Forward Looking Statements" on page 27.

Unless the context requires otherwise, the financial information used in this section is derived from our Restated Financial Information on page 210. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Report on VFX Industry in India" released on August 20, 2024 ("**D&B Report**") prepared by Dun & Bradstreet Information Services India Private Limited, appointed by our Company pursuant to an engagement letter dated August 17, 2024, and such D&B Report has been commissioned by and paid for by our Company, exclusively in connection with the Issue. The D&B Report is available on the website of our Company at https://identicalbrains.com/IPO_1.php. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Internal Risk Factors

<u>Risks Relating to our Business</u>

1. We depend upon our relationships with the major Bollywood studios, including key executive and creative talent, and any deterioration in these relationships could materially and adversely affect our business.

Our company has established strong relationships with the major Bollywood studios as well as other film and content producers, including OTT providers, key creative talent, including directors, and other content producers and distributors. These major Bollywood studios together accounted for 66.49% of our revenue for the fiscal year ended March 31, 2024, 67.51% of our revenue for the fiscal year ended March 31, 2023 and 64.99% of our revenue for the fiscal year ended March 31, 2022. Although our company maintains relationships with multiple points of contact at each of these studios, and typically no one person at a studio is solely responsible for VFX services hiring, to the extent that our relationship with any of these companies, or their and/or our key executives or key creative talent, deteriorates, or any of these customers stops making VFX content or ceases using our services, our business could be adversely affected, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

2. Our Company operates in the constantly evolving entertainment industry, which is subject to rapidly changing consumer behaviour and tastes, and depends on audience acceptance of content for which we provide VFX services and the long-term popularity of the brands and franchises that our customers produce.

Operating in the entertainment industry involves a substantial degree of risk for us, including as a result of rapidly evolving changes in technology, digital content platforms and consumer tastes. Our business requires it to quickly react to changing technologies, market dynamics and consumer behaviour and preference. In particular, the convergence of high-definition portable devices, high-speed wireless internet and complementary digital content services, all of which are becoming widely available and more affordable, has created a market in which consumers can watch their favourite shows when, how and where they want. As a result, the industry has seen high demand for OTT content, which has resulted in increased opportunities for VFX services providers. Our success at winning opportunities to provide VFX services for content producers depends on our ability to effectively adapt its services to the changes film and content producers develop in response to evolving consumer preferences. If we fail to keep pace with our customers' needs or fail to respond to changes in technology, we may be unable to compete effectively which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

Audience acceptance of entertainment content is determined by a number of factors, which are inherently unpredictable, constantly changing and beyond our control. Such factors include: audience reactions to a production's artistic components, critical reviews, how heavily the project is promoted, the quality and acceptance of competing content released at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and public tastes generally. The lack of public acceptance of a film, TV show or other content for which we provide VFX services, especially content that forms part of a major franchise, could have a material adverse effect on our business, financial condition, cash flow and results of operations. In addition, successful exploitation of a customer's rights to certain brands and franchises and the associated licensing and merchandising is dependent on the continuing popularity of the brands or franchise. A decrease in popularity of such brands or franchise could limit our opportunities to provide VFX services as our customers may choose to not create additional content for such brand or franchise. Such developments could negatively affect our future revenue streams and have a material adverse effect on our business, financial condition, cash flow and results of operations.

3. ***If the film and content producers reduce the amount of VFX content they produce and release, our company's revenue would likely decline.***

Our company derives substantially all of its revenue from the provision of VFX services. We do not develop any of our own content and we rely on film and content producers producing and releasing content and using our company to provide VFX services. Our company cannot assure that film and content producers will continue to produce and release projects with significant VFX content. Further, film and content producers may refrain from producing and releasing VFX content for any number of reasons, including their lack of commercial success. Commercial success may depend on, among other things, national and international consumer preferences and consumption patterns, which may change over time and shift away from VFX content. If consumers' interest in VFX content fails to grow, or if it declines for any reason, film producers may reduce the amount of VFX content they produce and release, which would likely reduce the demand for our services and therefore have a material adverse effect on our business, financial condition, cash flow and results of operations.

Additionally, our company has experienced an increase in the demand for VFX services in recent years as the proliferation of film producers, including OTT content producers, has significantly increased the overall amount of visual entertainment content, which has driven increased demand for our services. Our company may face inherent risks associated with the OTT business, such as competition for revenue paying customers, licensing and sub-licensing arrangements for content and technology, geographic limitations and platform capabilities, which could impact demand for our services and, in turn, negatively affect its results of operations.

4. ***Our order book and order pipeline are not necessarily indicative of its future revenue or other results of operations and we may not fully realise the revenue value reported in our order book and order pipeline.***

Our company has several metrics for tracking its current and future projects and uses an order book and order pipeline to track the current and future projects over any twelve-month period in order to assess the operating performance and capacity of the business, as well as expected revenue and costs based on management's assumptions of the work, we can accomplish during such twelve-month period compared to the overall anticipated length of the project. Our order book is comprised of (i) projects for which we have received a written contract, either executed or awaiting execution, and (ii) projects for which we have received written or verbal confirmation that we have been awarded a particular project and for which commercial terms are either agreed or generally known due to our course of dealing with a particular customer. Our order book may also include, as of any date of estimation, change orders for any project that have been confirmed, either in writing or verbally, or formally contracted. The order book is calculated in a consistent manner across all periods. Additionally, prior to categorising a project as part of the order book, we maintain a running list of projects that are in an advanced stage of active discussion, including potential change orders for current projects, but for which the customer has not yet confirmed the commercial terms, the value of the contract and/or the scope of our work. These projects are tracked in an "order pipeline" that we utilise for project planning and budgeting of the business. Once the terms of these projects are further progressed in line with our order book criteria, they are moved from our order pipeline into our order book. Although we believe that our order book and order pipeline serve as a useful indicator to assess its performance and the metric provides useful trend information and visibility on our future financial results, our order book and order pipeline are based on a number of assumptions and estimates, which may not reflect our financial performance in the future.

We may not realise the revenue that we currently expect from our Order Book and order pipeline, or, if realised, such revenue may not result in profits. For example, if a project reflected in the order book is cancelled or reduced in scope or if such project is delayed, suspended or disrupted, our Order Book may be reduced, and we may experience a delay in the realization of its estimated revenue and/or we may experience unrecoverable cost overruns or inefficiencies in the utilisation of our workforce, which could materially reduce the revenues and profits realised in any particular period. If a customer cancels a project, we may be reimbursed for certain costs incurred thereon, but we typically have no contractual right to the total revenues reflected in our order book. Significant cancellations or delays of, or unrecoverable cost overruns on, or workforce inefficiencies with respect to, projects in our order book could have a material adverse effect on our business, future revenues, financial condition, profitability, cash flow and results of operations.

5. ***Film and content producers may delay, suspend or terminate our contracts, which could negatively affect our revenue and harm our reputation and prospects.***

Under the vast majority of our contracts with film and content producers for VFX services, they reserve the right to delay, suspend or terminate all or part of our engagement and payment of production fees for any reason, including if we are unable to deliver our services for reasons within our control or beyond our control, including due to commercial or other decisions by the film and content producers. In past years, studios may have cancelled any project at their own election for reasons unrelated to our company after we had performed a significant amount of work. Although our company was compensated for our work through the time of cancellation, our anticipated work load and overall revenue from these projects may have unexpectedly changed and we might have been unable to showcase our work product. Further, if in future we experience similar cancellations of projects, we may not be compensated to the same extent or at all. Because our customers may delay, suspend or terminate their contract with us, we are subject to their changing schedules, production deadlines and strategic decisions about what services they require and at what time they require them. If our customers delay, suspend or terminate all or part of our engagement, our cash flow and results of operations could be adversely affected. In addition, any such terminations resulting from our failure to deliver services ultimately could harm our brand and reputation and weaken our relationships with our customers, particularly if we fail to deliver services that were within our control.

6. ***We are currently dependent on our top ten customers for our revenues. Further we do not have any long-term commitments from customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.***

The substantial portion of our revenue is currently significantly dependent on our top ten customers. For instance, our top ten customers for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 accounted for 76.55%, 80.01% and 82.29%, respectively of our revenue from operations. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of work orders from our key customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company. We presently do not have any long-term or exclusive arrangements with most of our customers and we cannot assure you that we will be able to sell the services we have historically given to such customers. There can also be no assurance that our customers will continue with us on current or similar terms, or at all. Although our Company maintains long-term relationship with major Bollywood studios and content and film producers, there can be no assurance that we will continue to maintain such relationship with our customers. Our inability to maintain our existing customer network could have a negative impact on our sales, business growth prospects, result in slowdown of operation, financial conditions and cash flows.

7. ***Recent and planned acquisitions among film and content producers, may reduce the breadth of our customer base, and could result in a narrower market for our services, increase competition and reduce negotiating leverage.***

Recent and planned acquisitions among film and content producers, including among major studios who have in the past and may in the future acquire other customers may reduce the breadth of our customer base. Although our company competes with other VFX service providers for new market entrants, including OTT content provider studios, we derive a substantial amount of revenue from services provided to major Bollywood studios. For the fiscal year ended March 31, 2024, March 31, 2023, and March 31, 2022, revenue from major film and content producers (or their affiliates) accounted for a total of 66.49%, 67.51% and 64.99% of our total revenue, respectively. Therefore, any such studio consolidation could result in individual studios comprising a greater percentage of our overall revenue and make it more likely that an adverse effect on a consolidated studio would have a corresponding material adverse effect on our business, financial condition, cash flow and results of operations.

In addition, such consolidated studios may (i) choose not to continue to use our services or, if they do use our services, they may not use our services as frequently as they did in the past; (ii) delay their decision making for hiring VFX service providers during the process of consolidation or subsequent integration; or (iii) delay the timing of release of their content so as not to conflict with other releases being made by the combined studio. Furthermore, the increased size of film and content producers, including consolidated film studios and OTT content provider studios, may reduce our negotiating leverage resulting in less favourable service terms. As a result, any of the above factors could have a material adverse effect on our business, financial condition, cash flow and results of operations.

8. If our company is unable to develop and maintain technologies to support customers' evolving needs in response to changes in consumer demand, or fails to maintain the quality of its services and its reputation with customers, our business and prospects could suffer.

The entertainment industry experiences frequent change driven by technological development, including developments with respect to the formats through which VFX content is delivered to consumers. With rapid technological changes and dramatically expanded digital content offerings, the scale and scope of these changes have accelerated in recent years. For example, consumers are increasingly accessing television and film content through OTT digital video service providers, such as Amazon and Netflix, which has caused significant disruption to the retail distribution of more traditional films and TV programming.

Our business and prospects depend on maintaining and strengthening our reputation for providing VFX services that meet and exceed our customer's quality, timing and budgeting expectations across various content delivery platforms, from film and OTT to location-based and experiential entertainment, and our final work product is an important indicator of its ability to provide certain types of VFX services. If problems or delays with our services or technologies cause film and content producers or other customers to experience operational disruption or failure or delays in the delivery of their products and services to their consumers or customers, or if our final work product fails to meet our customer's or the ultimate consumer's expectations, our brand and reputation could be diminished.

Maintaining and strengthening our brand and reputation may be particularly challenging as we expand our operations and enter markets in which we have limited experience, such as AR, VR and location-based and experiential entertainment, including theme parks. We must continually invest in and maintain our computer hardware, and have invested and may in the future invest time and resources into developing new services and technologies as our customers continue to explore these markets. The process of developing new services and technologies is complex, costly and uncertain, and our failure to accurately anticipate or respond to customers' changing needs and emerging technological trends could have a material adverse effect on our business, financial condition, cash flow and results of operations. We could also incur substantial development expenses in respect of new services and technologies before we earn associated revenue, which, if not realised, could have similar effects. In addition, the emergence of technologies that utilise artificial intelligence to automate the creation of digital effects for the visual entertainment industry or the development of superior technology by a competitor or a competitor's ability to anticipate such needs and trends, could similarly have a material adverse effect on our business, financial condition, cash flow and results of operations.

If we fail to maintain the quality of our services or fail to promote our brand and reputation successfully, or if we fail to respond to customers' changing needs in response to technological developments and the effects of such technological developments on consumer demand, our business, financial condition, cash flow and results of operations may be adversely affected.

9. The VFX Industry in which we operate possess various risks and challenges as provided in the Industry Report titled "Report on VFX Industry in India" dated August 20, 2024, which is exclusively prepared for the purposes of the Issue and issued by D&B and is commissioned and paid for by our Company ("D&B Report").

The VFX Industry in which we operate possess various risks and challenges such as:

- *Project Delays and Industry Slowdown:* In 2023, the Indian animation sector faced a challenging year, marked by a contraction in growth due to delays in project timelines and a slowdown in mergers and acquisitions. The decline in the animation industry was largely influenced by disruptions in the global entertainment sector, including a significant impact from the writers' strike in Hollywood and structural changes within major industry players like Warner Bros., Discovery, Zee, Sony, and Viacom18. These factors contributed to a noticeable reduction in the number of new Indian animated projects, with fewer releases compared to the previous year.

- *Reduced Outsourcing from OTT Platforms:* Cost-reduction measures implemented by major OTT (over-the-top) platforms also had a significant impact on the volume of animation work outsourced to India. Platforms like Disney+ Hotstar and Netflix undertook efficiency initiatives, leading to a reduction in animation projects, with Netflix undergoing restructuring that resulted in job cuts and the cancellation of several animated series.

- *Skill Gaps:* The rapid growth of the Indian VFX market has created a ravenous appetite for skilled artists. Studios require individuals with expertise in various specializations, including 3D animation, compositing, rotoscoping, and a range of other VFX techniques. However, educational institutions and training programs haven't been able to adapt to this exponential growth. Traditional curriculum development cycles struggle to keep pace with the ever-evolving needs of the industry, leading to a shortage of artists with the necessary skillsets.

- *Talent Shortage:* The lack of qualified talent can significantly hinder project delivery timelines. Studios might struggle to find the right artists for specific projects, leading to delays in meeting deadlines and potentially jeopardizing production schedules. Furthermore, the pressure to fill these vacant positions can drive up salaries across the board, impacting production budgets and potentially squeezing profit margins for studios.

- *Global Competition and Brain Drain:* The Indian VFX industry is no longer operating in isolation. Studios are now competing with established VFX hubs like Los Angeles and Vancouver for a limited pool of global talent. While India offers competitive pricing, these established hubs may hold an edge in terms of salaries and career progression opportunities. This can be particularly enticing for top-tier artists, potentially drawing them away from the Indian market.

These above challenges could have a material adverse effect on our business, financial condition, cash flow and results of operations.

10. We secure contracts from both film and content producers and through subcontracting arrangements.

Our business thrives on a combination of direct contracts with film and content producers and subcontracting arrangements. Our ability to secure contracts directly is largely attributed to our extensive connections, esteemed reputation in the entertainment industry, and track record of successful projects. Additionally, subcontracting plays a significant role in our operations, accounting for 14.81%, 28.42% and 36.94% of our projects for Fiscals 2024, 2023 and 2022 respectively. While the majority of our projects are acquired directly from film and content producers, the remaining are obtained through third-party recommendations. This reliance on recommendations from third parties underscores the importance of maintaining strong relationships and positive rapport within the industry. Without these recommendations, our business could face significant challenges, potentially impacting our ability to secure new projects and sustain growth. As such, it is imperative for us to continue nurturing relationships with industry peers and maintaining a stellar reputation to ensure a steady flow of recommendations and sustain our business momentum. By doing so, we can mitigate the risks associated with dependence on third-party referrals and maintain a robust pipeline of projects for the future.

11. Our company has and may in the future experience security breaches and cyber threats.

Our company, regularly face attempts by third parties to gain unauthorised access through the Internet or attempt to introduce malicious software to our data centres and IT systems. The secure processing and maintenance of this information is critical to our business operations. These attempts seek to damage, disrupt or gain access to our networks, services, data, supporting infrastructure, intellectual property and other assets, particularly with regard to sought-after content from forthcoming motion pictures and other content. Security vulnerabilities may exist with respect to our processors as well as the operating systems and workloads running on them. Mitigation techniques designed to address these security vulnerabilities, including software and firmware updates or other preventative measures, may not operate as intended or effectively resolve these vulnerabilities and we cannot guarantee that third parties will not be able to gain unauthorised access to our IT systems, and the confidential information of our customers and our company.

Our company and many of our customers have incurred substantial costs to implement, maintain and regularly review and update systems and processes to guard against cyber risks and to help protect our data and systems and that of our customers. However, the techniques that may be used to obtain unauthorised access or disable, degrade, exploit or sabotage its data, services and IT systems change frequently and may not be detected. In addition to its own integrated technology and infrastructure (including its own in-house data centres), we also rely on technological infrastructure provided by third parties to support its operations. These providers are also subject to cyber risks and threats. Our systems and processes, and the systems and processes of our business partners, may not be adequate to protect against such risks and threats. Further, cyber incidents are not included in our general liability policy and we have not obtained any cybersecurity policy to secure such risks and threats.

Any failure to prevent or mitigate security breaches or cyber risks, respond adequately to a security breach or cyber risk, or any unauthorised access to its IT systems, could result in interruptions to our services, cause its customers to lose confidence in its ability to safeguard their confidential and proprietary work product and to cease doing business with us, divert the efforts and attention of our management and technical personnel away from our business, as well as cause significant legal and financial exposure. In addition, any such failure may have significant adverse reputational consequences and could have an adverse effect on our financial condition and results of operations, our business and reputation, disrupt its relationships with our customers and diminish our competitive position.

We regularly encounter attempts to intrude or gain unauthorised access to its network, content or infrastructure. Third parties may attempt to compromise our employees and their privileged access into our internal systems to gain access to internal information. Additionally, employee misuse, whether intentional or inadvertent, of our network or infrastructure could result in increased operating costs and damage to our network, hardware or systems, or the theft, loss or dissemination of customer content. As on date of this Draft Red Herring Prospectus, we have not faced any misuse of our systems has led to the public dissemination of unreleased content from any of our past or current employees or any termination of employees consequently. Future employee misuse or third-party intrusions or unauthorised access to our systems could result in incurring significant costs related to, for example, rebuilding internal systems, implementing additional threat protection measures, modifying its products and services, defending against litigation, responding to regulatory inquiries or actions, providing customers with incentives to maintain the business relationship, or taking other remedial steps with respect to third parties. In addition, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. We have a dedicated in-house IT team which seeks to detect and investigate all unauthorised attempts and attacks against our network, content and infrastructure, and to prevent their recurrence where practicable through changes to our internal processes and tools or updates to our products and services. However, we cannot guarantee that these efforts will be successful and we remain vulnerable to additional known or unknown threats.

We are also subject to security audits by Trusted Partner Network, California ("**TPN**") who have stringent requirements that must be met in order for us to continue to do business with major studios. If we fail any such audit, we could damage our relationship with the customers and harm our reputation and brand, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

We may also be subject to theft, loss or misuse of personal data about our employees, customers or other third parties, which could increase our expenses, damage our reputation or result in legal or regulatory proceedings. The theft, loss or misuse of personal data created, collected, used, stored or transferred by us to run our business could result in increased business and security costs, regulatory penalties or costs related to defending legal claims, any of which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

12. ***Competition from other providers of services or new technologies to the visual entertainment industry could adversely affect our business.***

The global visual entertainment industry is highly competitive and fragmented, particularly among providers of VFX services. Our company competes with many other companies that specialise in all of the various VFX services we offer. In addition, other market participants, including our customers and other film and content producers, may develop their own VFX services or improve filming technologies or 2D to 3D content conversion in the future. Customers may also perceive the quality of VFX services delivered by some of our competitors to be equivalent or superior to our services.

Furthermore, some of our current or future competitors may have significantly greater financial, technical, marketing and other resources than we do, or may have more experience, relationships or advantages in the markets in which we compete that will allow them to offer lower prices or higher quality technologies, products or services. If we do not successfully compete with these providers or technologies, we could lose market share and its prospects could suffer, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

In addition, our customers frequently use multiple VFX service-providers on a given project for various reasons, including in order to spread the risk of non-performance or late delivery of projects. If film and content producers were to further fragment their VFX projects among our existing or future competitors, our growth opportunities, revenues and results of operations could be adversely affected.

13. ***Our company may be subject to claims of infringement of third-party intellectual property rights that are costly to defend, result in the diversion of management's time and efforts, require the payment of damages and limit our ability to use particular technologies in the future.***

Third parties could in the future assert claims against our company for alleged infringement of its patent, copyright, trademark or other intellectual property rights in relation to technologies that are important to our business. In addition, we may not be aware of whether our services do or will infringe existing or future patents or the intellectual property rights of others. In addition, there can be no assurance that one or more of our competitors who have developed competing technologies or our other competitors will not be granted patents for their technology and allege that our company has infringed on such patents.

Any claims that our services or processes infringe the intellectual property rights of others, regardless of the merit or resolution of such claims, could entail significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management and technical personnel away from our business. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation, even if we ultimately prevail. Our company could also be required to pay substantial damages. An adverse determination in any intellectual property claim could require us to pay damages, pay licensing fees to continue to use such technology and/or stop using its technologies, trademarks, copyrighted works and other material found to be in violation of another party's rights and could prevent us from licensing its technologies to others. In addition, such claims may result in negative publicity about our company, which could harm our reputation.

Any successful infringement or other intellectual property claim made against our company or its failure to develop non-infringing technology or obtain a license to the rights to the intellectual property of others on commercially reasonable terms could have a material adverse effect on our business, financial condition, cash flow and results of operations.

14. ***Global market, economic and geopolitical conditions may adversely affect our business, results of operations, liquidity and financial condition and those of our customers.***

Our business may be adversely affected by global market, economic and geopolitical conditions, including general global economic and political uncertainty and dislocations in the capital markets. If these conditions become more volatile or worsen, our company and our customers' respective business, results of operations, liquidity and financial condition may be adversely affected as a result of the following consequences, among others:

- the financial condition of our customers may be adversely affected, which may make it difficult for film and content producers to maintain prior levels of production activity or could otherwise cause a customer to cancel or reduce in scope or delay, suspend or change a project; and

- our ability to obtain financing on terms and conditions that it finds acceptable, or at all, may be limited, which could reduce our ability to continue to grow our business and increase its future interest expense.

Further, a decrease in discretionary consumer spending due to such adverse global market, economic and geopolitical conditions could adversely affect the commercial performance of motion pictures and other content, which could result in a reduction in the number (or delay in the timing) of motion picture releases with significant VFX content. Such reduction or delay could decrease or delay demand for our services, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

<u>Other Risks relating to our Financial Position</u>

15. ***We have experienced negative cash flows in previous Fiscals and may continue to have negative cash flows in the future.***

Our cash flow for the financial years are set forth in the table below:

₹ in Lakhs

Particulars	**For Fiscals**		
	2024	**2023**	**2022**
Net cash flow from/ (used in) from operating activities (A)	189.53	235.61	(11.39)
Net cash flow from/ (used in) investing activities (B)	(574.59)	(156.79)	(17.44)
Net cash flow from/ (used in) financing activities (C)	398.02	-	-

Cash flow from operating activities is negative in Fiscal 2022 merely because of direct taxes of ₹18.53 lakhs paid and the operating profit generated during the Fiscal was majorly used for the working capital requirements.

For further details in relation to the reasons for negative cash flows from operating activities as well as investing activities for Fiscals 2022 to 2024, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 214. The markets for our VFX services are evolving and it is difficult for us to predict our future results of operations or the limits of our market opportunity. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

16. ***Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

We are required to incur certain upfront costs to be able to provide our services to our customers from the beginning of the contracted period. These include costs towards manpower required from the first day of commencement of such contract. The salary and employee-related statutory payments, fees payable to contracted VFX artists and sub-contracting charges for any VFX service outsourced by us, etc. which are due on the day of completion of the deployed month, are also required to be paid. Our services are billed as part of the production budget of original content. VFX services increasingly reflects a significant and growing component of content production costs. Our company prices and bills its work based on the expected duration and complexity of each project. We recognize revenue under the percentage of completion method based on the services performed as a percentage of total services our company expects to perform over the life of the contract. Therefore, such cash outflows are borne upfront by us, prior to any receipt of payment from our customers. The invoices become due and payable only after accounting for the agreed credit period from the date of the invoice, as per the terms of the respective contracts, which is currently received within 110 days. Our business requires significant amount of working capital, primarily due to the time period that typically elapses between us incurring such upfront costs and receipt of payments from our customers, as described above. Summary of our working capital position is given below: -

(₹ in Lakhs)

Sr. No.	Particulars	Fiscal		
		2024	**2023**	**2022**
I	**Current Assets**			
	Trade receivables	612.91	50.65	52.12
	Cash and cash equivalents	180.03	167.08	88.26
	Short Term Loans and Advances	9.30	0.61	7.10
	Other Current Assets	169.63	79.04	48.98
	Total (A)	**971.87**	**297.37**	**196.46**
II	**Current Liabilities**			
	Short-Term Borrowings	3.97	-	-
	Trade payables	176.39	81.50	67.51
	Other Current Liabilities	96.64	41.95	12.69
	Short Term Provisions	203.81	62.32	18.53
	Total (B)	**480.81**	**185.77**	**98.73**
III	**Total Working Capital Gap (A-B)**	**491.06**	**111.60**	**97.73**

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Consequently, there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs.

Additionally, our Company intends to utilise ₹704.00 lakhs from the Net Proceeds to fund working capital requirements of our Company in Fiscals 2025 and 2026. We intend to hire more employees at Senior Managerial level who are more capable and experienced employees and continue growing by reaching out to new content producers and also increasing revenue to our existing customers and thereby reaching to other geographical areas. This may result in increase in the quantum of current assets particularly trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "*Objects of the Issue*" on page 89.

If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. However, our ability to arrange financing and the cost of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations. Our ability to access international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, including due to policy changes and regulatory restrictions, which could limit our ability to raise funds. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations.

17. ***From time-to-time studios have sought to defer part of our fees for services until after a film is released.***

In certain instances, film and content producers have asked our company to defer part of our fees for services provided until the release of the film. Our company occasionally accommodates such requests when it believes that it is in our company's and its shareholders' best interests to do so. When it does so, our company bears the risk that the related film or project will not be as successful as anticipated or that our company's perceived benefits of such arrangement will not be realised, in which case, our company's cash flow and results of operations could be adversely affected. In addition, any such arrangement could lead to our company's loss of pricing power and its ability to obtain engagements that do not have these arrangements.

18. ***We are exposed to foreign currency fluctuation risks, particularly in relation to export of our services, which may adversely affect our results of operations, financial condition and cash flows.***

We present our financial statements in Indian Rupees. Our revenue from operations from outside India, as per AS 17, were ₹286.10 lakhs, ₹5.19 lakhs and ₹12.83 lakhs, constituting 14.24%, 0.65% and 3.30% of our revenue from operations in Fiscals 2024, 2023 and 2022 respectively. Although, we generally seek to pass exchange rate fluctuations to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows. Further, while we seek to hedge our foreign currency risk, any steps undertaken to hedge the risks due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. The following table sets forth details of our foreign currency exposure as at indicated dates:

(₹ in Lakhs)

Name of Country	**For Fiscal**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
United Arab Emirates	44.50	1.00	-
Singapore	-	-	12.83
United Kingdom	241.60	-	-
Canada	-	4.19	-
Total	**286.10**	**5.19**	**12.83**

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

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

- demand for our services by our customers located outside India;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from delivery of our services to our customers;
- compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations. If we are unable to comply with such laws, our business, results of operations, financial condition and cash flows could be adversely affected;
- changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;
- fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables, the relative prices at which we and our competitors sell products in the same markets and the cost of certain non-inventory items required for our operations. For instance, fluctuation of the Pound Sterling, Euro and U.S. Dollar would have an impact on the export revenues and profits of our operations;
- anti-competitive behaviour, money laundering, bribery and corruption by third parties as well as crime and fraud; and
- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations.

In addition, we may not perform as expected in our international markets, because our competitors and the established players in these markets may have a more established presence and have more experience in operating in such market, which could allow them to have better relationships with customers, gain early access to information regarding attractive sales opportunities and, in general, be better placed with other advantages of being a first mover. Any of these risks could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Legal and Regulatory Risks

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

We are involved in certain legal proceedings which are pending at different levels of adjudication before various tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

A summary of the proceedings involving our Company, Promoters and Directors are provided below:

Nature of Cases	Number of Cases	Amount Involved (in ₹)
Issuer Company – Identical Brains Studios Limited		
Direct Tax		
E-Proceedings	Nil	Nil
Outstanding Demand	Nil	Nil
TDS Default	5	8,17,140/-
Promoters		
Direct Tax		
E-Proceedings	Nil	Nil
Outstanding Demand	1	8,056/-
TDS Default	Nil	Nil
Directors (Other than Promoters)		
Direct Tax		
E-Proceedings	Nil	Nil
Outstanding Demand	Nil	Nil
TDS Default	Nil	Nil
Other Matters based on Materiality Policy	Nil	Nil

For further details of legal proceedings involving our Company, our Promoters, our directors, see "*Outstanding Litigation and Material Developments*" on page 234.

20. There has been delay in filing of forms with the Registrar of Companies as per the stipulated timelines prescribed under the Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for delay in such compliances could impact the reputation and financial position of the Company to that extent.

Our Company in the past have made delay in filings of some RoC forms as per the stipulated timelines prescribed under the Companies Act, 2013. The details of ROC late filings are as follows:

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
MGT-7A	NA	Form for filing financial statements and other documents with the Registrar for the financial year 2019-2020	60 Days from the date of event	January 16, 2021	48 days
AOC-4	NA	Form for filing financial statements and other documents with the Registrar for the financial year 2019-2020	30 Days from the date of event	January 16, 2021	78 days
INC-20A	February 04, 2019	Declaration for commencement of Business	Within 180 days from Incorporation of Company	November 29, 2019	118 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
ADT-1	June 30, 2019	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	November 29, 2019	137 days
MGT-14	April 02, 2021	Filing of Resolutions and agreements to the Registrar	30 Days from the date of event	June 08, 2021	37 days
INC-6	April 02, 2021	One Person Company and Private Company- Application for Conversion	30 Days from the date of event	June 08, 2021	37 days
AOC-4	September 30, 2022	Form for filing financial statements and other documents with the Registrar for the financial year 2021-22	30 Days from the date of event	November 19, 2022	20 days
AOC-4	September 20, 2023	Form for filing financial statements and other documents with the Registrar for the financial year 2022-23	30 Days from the date of event	October 29, 2023	9 days
MGT-7A	September 20, 2023	Form for filing financial statements and other documents with the Registrar for the financial year 2022-2023	60 Days from the date of event	November 30, 2023	11 days
ADT-1	September 20, 2023	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	March 01, 2024	148 days
MGT-14	October 25, 2023	Filing of Resolutions and agreements to the Registrar	30 Days from the date of event	December 18, 2023	24 days
MGT-14	October 31, 2023	Filing of Resolutions and agreements to the Registrar	30 Days from the date of event	December 18, 2023	18 days
INC-22	January 15, 2024	Notice of situation or change of situation of registered office	30 Days from the date of event	February 15, 2024	1 day
ADT-3	February 01, 2024	Notice of resignation by the auditor	30 days from the date of Resignation	March 08, 2024	6 days

Although, our Company has paid requisite late fees for such filings, no show cause notice in respect of the same has been received by our Company till date. Further, if any such action is initiated by the regulatory authority, then our Company will have to abide by the order of such regulatory authority or pay any penalty that may be imposed by any regulatory authorities in future for non-compliance with provisions of corporate and other law which could impact the financial position of the Company to that extent.

21. There have been instances where certain statutory forms are missing or corrupted on the records of the Ministry of Corporate Affairs (MCA) due to the technical issues of the V3 portal which poses potential risks, including penalties, legal challenges, and regulatory actions, which could impact the Company's reputation and financial stability.

Our Company has identified instances where certain statutory forms are missing from the records of the Ministry of Corporate Affairs (MCA) portal as per the requirements under the Companies Act, 2013. The absence of these forms poses potential risks, including penalties, legal challenges, and regulatory actions, which could impact the Company's reputation and financial stability. List of forms are missing or corrupted on the records of the Ministry of Corporate Affairs (MCA) portal:

ROC Form	Event Date	Particulars of Event
SPICe+ (INC-32)	NA	Incorporation form
DIR-12	January 15, 2024	Resignation of Umesh Rai, Appointment of Sameer Rai as Additional Director and Appointment of Milind Bhikajirao More as Chief Financial Officer
DIR-12	January 15, 2024	Appointment of Raghvendra Rai as Managing Director
DIR-12	February 29, 2024	Appointment of Pallavi Ashok Chavan as Company Secretary and Compliance Officer
Form RUN	February 29, 2024	For reservation of new name of the company

ROC Form	Event Date	Particulars of Event
MGT-14	March 05, 2024	Appointment of Rakesh Ramchandra Pawar & Shridhar Sanjay Tari as Independent Directors, Approval under Section 180(1)(c) of the Companies Act, 2013, Approval under Section 180(1)(a) of the Companies Act, 2013
DIR-12	March 05, 2024	Regularisation of Sameer Rai and Appointment of Stevina Alban Vaity, Rakesh Ramchandra Pawar & Shridhar Sanjay Tari as Independent Directors
MGT-14	March 22, 2024	To change the name of the Company from "Identical Brains Private Limited" to "Identical Brains Studios Private Limited"
SH-7	June 21, 2024	Increase in Authorized Capital from ₹12 Crores to ₹15 Crores
MGT-14	June 21, 2024	Issue of Bonus Shares, to consider and approve Remuneration to be paid to Sameer Rai, Director of the Company and to ratify the payment of remuneration to Raghvendra Rai, Managing Director of the Company
MGT-14	June 21, 2024	Conversion of company from private limited to public limited

22. ***Our inability to protect or use our intellectual property rights may adversely affect our business.***

As of the date of this Draft Red Herring Prospectus, our Company has one registered trademark. For details, see "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on pages 175 and 237. We believe that our trademark has significant brand value and recognition in the respective area, therefore, our trademark is significant to our business and operations. There can be no assurance that our brand name or trademark will not be adversely affected in the future by actions that are beyond our control including client complaints in relation to intellectual property rights infringement, intellectual property infringements or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our reputation, competitive position in India, business, financial condition, results of operations and cash flows.

The application of laws governing intellectual property rights in India is uncertain, evolving and could involve substantial risks to us. Failure to register or renew the registration of any of our registered intellectual properties may affect our right to use such intellectual properties in future or allow others to use our solutions and designs as available in the public domain, without our consent. Further, if we are unable to register our intellectual properties for any reason, including our inability to remove objections to any trademark application, or if any of our unregistered trademarks are registered in favor of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark, and as a result, we may not be able to seek remedies for infringement of those trademarks by third parties, which would cause damage to our business prospects, reputation and goodwill.

23. ***Non-compliance with and changes in any of the applicable laws, rules or regulations may adversely affect our business, results of operations and financial condition and cash flows.***

Our services are subject to applicable laws, rules or regulations. We are required to maintain "Trusted Partner Network" certification for content security preparedness in the media and entertainment industry and Importer Exporter Code under the Foreign Trade (Development and Regulation) Act, 1992. In addition to this, our Company is also required to obtain trade licenses as issued by appropriate local municipalities under applicable local laws, relevant registrations under the Maharashtra Tax on Professions, Trade, Callings and Employments Act, 1975 and a shops and establishments registration for Maharashtra and Uttar Pradesh. We may also require, depending on the height and the proportion of the premises we occupy, to obtain a fire no objection certificate ("**Fire NOC**") from the relevant local authorities. As on the date of the Draft Red Herring Prospectus, our Company was not required to obtain a Fire NOC because we occupy only a part of the building even though the height of the building is more than the height statutorily prescribed for obtaining Fire NOCs since the owner of such building is required to obtain the Fire NOCs.

Our business operations are primarily conducted on premises taken on leave and license basis from third parties (including certain related parties). The owners of these premises are required to obtain, depending on the date of completion of construction of the premises, an occupancy certificate. We cannot assure you that such owners will apply for or obtain the occupancy certificate for such premises in a timely manner or at all. Any non-possession of occupancy certificates may result in the functional agencies not providing a regular connection for electricity, water, drainage and sewerage or imposition of higher property tax and water and electricity charges.

If a determination is made that we are in violation of any of the applicable laws, rules or regulations, including conditions in the permits required for our operations, we may be subjected to regulatory sanctions, have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures which would adversely affect our business, results of operations, financial position and cash flows. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, applicable laws, rules or regulations or policies, may also adversely affect the viability of our current business or restrict our ability to grow our business in the future. Further, the adoption of stricter applicable laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, results of operations, financial condition and cash flows.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage, gratuity, provident fund and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals. We cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. For further information, see "*Key Regulations and Policies*" on page 179.

24. We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.

Our operations are subject to government regulation and we are required to obtain and maintain number of statutory and regulatory registrations and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our facilities such as Tax Registration, Udyam Registration, Importer Exporter Code, and etc. for running our operations in a smooth manner. Presently, we are in the process for updating licenses and approvals in the name of "*Identical Brains Private Limited*" to "*Identical Brains Studios Limited*". For details, see "*Government and Other Approvals*" on page 237. Further, we are yet to obtain approvals of shop and establishments and GST for our branch offices in Uttar Pradesh. The regulatory licenses that we require are typically granted for a limited term and are subject to renewal at the end of such terms. We cannot assure that we will be able to obtain or renew all necessary licenses and registrations as and when required, within a reasonable time, or at all.

Our registered office and branch offices are located on properties taken on leave and licence basis by us, and it is the responsibility of the licensor to procure occupancy certificates. An absence of such certificates on accord of the lessors could also adversely affect our business and operations.

Further, if we fail to obtain or renew any applicable approvals, licenses, registrations or consents in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business, results of operations and financial condition. We cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations or consents that have been or may be issued to us, may adversely affect our business, results of operations and financial condition.

<u>Risks Relating to the Issue and the Objects of the Issue</u>

25. The Objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.

We propose to use the Net Proceeds towards funding capital expenditure towards renovation of existing Andheri office and studio; funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("**DI**") and Sound Studio Set up at new branch office in Andheri; funding capital expenditure towards establishment of new branch office in Lucknow; funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company; funding our incremental working capital requirements; and general corporate purposes. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Since, the proceeds from Issue 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. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, would require special resolution of the Shareholders and 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 such price and in such manner in accordance with applicable law. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. The Issue expenses are estimated to be approximately ₹ [●] lakhs. For details, see "*Objects of the Issue*" on page 89.

Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, including delaying the schedule of implementation of objects for which the Net Proceeds are intended for. Our actual deployment of funds may be higher than our management estimates, for which we may require additional funding that we may not be able to arrange on commercially acceptable terms, or at all. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

26. ***We intend to utilise a portion of our Net Proceeds for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of our company. Any delay in placing orders or procurement of such computers, storage systems and software may delay the schedule of implementation.***

We propose to utilize ₹343.03 Lakhs of our Net Proceeds towards purchase of new computers, storage systems and software to further strengthen the existing facilities/offices of the company. For further information, see "*Objects of the Issue*" on page 89. Orders worth ₹343.03 Lakhs, which constitutes 100% of the total estimated costs in relation to the purchase of new computers, storage systems and software for our offices and studio are yet to be placed. GST and additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable will be paid by the Company out of internal accruals. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion and can also compel us to buy such computers, storage systems and software at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

27. ***The objects of the Issue include funding incremental working capital requirements, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.***

The proposed deployment of Net Proceeds includes funding working incremental capital requirements, which is based on management estimates and certain assumptions. For details, see "*Objects of the Issue*" on page 89. Our business requires significant working capital, and the actual amount of our future working capital requirements may differ from estimates as a result of, among other factors, unanticipated expenses, fluctuations in rental rates, economic conditions, growth in revenue, changes in the terms of our financing arrangements, project cycle length, client payment terms, resource allocation, software and equipment upgrades, and additional market developments and new opportunities in the VFX business. For further details of funding our working capital requirements, see "- *Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations*." on page 42. Any delay in the Issue may impact the funding of our working capital requirements, and adversely affect our business, operations, cash flows and financial condition.

28. ***We have not disclosed the names of our customers which includes major Bollywood studios and other film and content producers in the Draft Red Herring Prospectus due to which there is a risk of limited transparency.***

Our company requires to enter and has entered in past, Non-Disclosure Agreements with our customers which includes major Bollywood studios and other film and content producers given the nature of the industry we operate in, and hence due to secrecy clauses and confidentiality clauses, we have not disclosed the names of our customers in the Draft Red Herring Prospectus, which presents certain risks to investors. Investors may find it challenging to assess our company's market position. This lack of visibility can also make it difficult to assess the strength and reliability of our company's business relationships and the stability of its revenue streams. As a result, investors might be uncertain about our company's ability to attract and retain key clients, which could affect their confidence in the company's future performance and growth potential. While maintaining client confidentiality is essential, the inability to disclose this information could limit investors' ability to fully evaluate the company's success and competitive standing in the market.

Operational Risks

29. The tools that our company relies upon to prepare and submit a bid for a project may prove to be inaccurate, and we may not achieve anticipated levels of revenue and profits.

Our company uses internally developed, multi-step processes to formulate our bids on a project. At the time our company submits a bid, however, it is likely to have imperfect information about the timing, breadth and nature of competing bids and our customer's ultimate production expectations. Therefore, our bids could be inaccurate. In addition, our historical information about the cost of production for a certain type of project may not be indicative of the characteristics of a similarly situated project due to changes in business practices or customer expectations and our company's internal resources may not be as extensive as needed to anticipate such changes. Furthermore, while we review each project and our team of creative and technical professionals determine the level of work required to execute the various components of our process for each sequence on which it is asked to bid in detail prior to submitting a bid, there can be no assurances that we will be able to appropriately identify and address all assumed underlying costs it might incur, which could result in recognition of less profits, thus affecting our ability to operate profitably.

Some countries like the United Kingdom and Canada have developed incentive programmes for film, television or advertising productions. These production incentive programmes offer eligible companies' financial incentives, such as tax credits or tax rebates, based on the qualified production costs incurred in the production location. Our company, is currently providing these facilities to its customers located in these countries from India only and in future intends to locate its facilities in these locations which are attractive to its customers. Further, in addition to estimating the cost of production for a certain type of project, we also often include in our bids an estimated amount of incentive our customer may be eligible for in connection with using our company's services based on our allocation of work. Any material changes to the incentive programmes available in such locations or any change to the work allocations made by our production team over the course of the project could significantly impact our estimate included in our bid and could result in our absorbing the extra cost incurred by the customer if our estimate proves incorrect. While we have been effective in working with our customers to maximise the tax incentives available to them in the past, we could be adversely affected by changes in location-based production incentives or our failure on a project or series of projects to monetise the estimated amount of tax incentives included in our bid for eligible customers.

In addition, our company submits a bid for a certain project for which it has limited similar experience or for customers with which our company has no prior dealings, our ability to properly price and perform its work on such a project may be adversely affected. The use of inaccurate assumptions, or the lack of a course of dealing, can lead to mispricing our anticipated costs of labour and other related expenses, which may have an adverse effect on the revenue recognised from such a project or could lead our company to overbid on and lose bids for projects. Any of the foregoing factors could have a material adverse effect on our business, financial condition, cash flow and results of operations.

30. Our company's performance depends on our key managerial, senior management, creative and technical teams, and we may be unable to attract and retain key managerial, senior management, creative and technical personnel.

Attracting, training, retaining and motivating managerial, creative and technical personnel is a critical component of the future success of our business. Competition for qualified managerial, creative and technical personnel is intense and is likely to remain so for the foreseeable future. The geographic areas in which our company has operations are also home to prominent multinational technology and entertainment companies that also have high demand for qualified personnel. As a result, those companies compete with our company for a limited pool of individuals with the expertise that our company seeks. In addition, if we must pay higher salaries to retain qualified persons, its results of operations may be adversely impacted. If our company is unable to attract or retain personnel with the necessary skills and experience, continued growth may cause a significant strain on our existing managerial, creative and technical teams, as well as its operational, financial and information systems resources.

The departure of any of our company's executive officers or core members of its managerial, creative and technical teams or our company's failure to attract and retain other qualified and experienced personnel on acceptable terms or at all could have a negative impact on its ability to provide and maintain the quality and service standards its customers expect. Our company relies on qualified managerial, creative and technical personnel to execute our business and growth strategies successfully and attract new customers, and the departure of any of these executive officers or key members of its managerial creative and technical teams could have a material adverse effect on our business, financial condition, cash flow and results of operations.

31. ***Our company is dependent on proprietary technology licensed from others. If we lose the licenses, we may not be able to continue servicing our customers or developing our work product.***

Our company has obtained licences that give us rights to third-party intellectual property that is necessary or useful to our business. These licence agreements covering our work product impose various royalty and other obligations on us. One or more of our licensors may allege that we have breached the licence agreement with them, and accordingly seek to terminate our licence. If our company materially breaches the obligations in the license agreements, the licensor typically has the right to terminate the licence and we may not be able to market the work product that was covered by the licence, which could adversely affect our competitive business position and harm our business prospects. In addition, any claims brought against us by the licensors could be costly and time-consuming and would divert the attention of our management and key personnel from the business operations.

32. ***Interruption or failure of our company's information technology or data backup systems could impair our ability to provide our services effectively and in a timely manner, and could result in loss of work product, customer files or other valuable data.***

Our business is significantly dependent on its ability to provide services that consistently meet our customer's delivery schedules. Our company relies on certain software applications, hardware and other information technology and communications systems for the development and provision of its services. Our systems are vulnerable to damage or interruption from earthquakes, hurricanes, terrorist attacks, floods, fires, power loss, telecommunications failures, computer viruses or other attempts to harm our systems and similar events. Our facilities are located in an area with a high risk of earthquakes and all of our facilities are also subject to break-ins, sabotage and intentional acts of vandalism. Some of the systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. The occurrence of a natural disaster or other unanticipated problems at any of our facilities or any facility that it outsources work to could result in lengthy interruptions in our projects and our ability to deliver services. An error or defect in the software or a failure in the hardware could delay the delivery of our services and could result in significantly increased production costs, hinder our company's ability to retain and attract customers and damage its brand and reputation. Further, if our backup systems were to fail, we could lose significant work product, customer files or other valuable data. Given our reliance on industry relationships, any such delay, cost increase or loss could harm our brand and reputation and could have a material adverse effect on our business, financial condition, cash flow and results of operations.

33. ***Strikes by writers, actors or other participants in the visual entertainment industry could negatively affect our revenues.***

The major film and content producers that our company relies on for a large portion of our business are subject to collective bargaining agreements with unions that represent essential film production personnel, including the All Indian Cine Workers Association, All India Cine and Tv Artist Union, Screenwriters Association, Indian People's Theatre Association, Theatre Employees Union, and in the future film and content producers may become subject to additional collective bargaining agreements. For example, the writers' strike in Hollywood in 2023 led to an overall decline in the number of motion pictures and other visual entertainment being produced. A strike by one or more unions or any other halt or delay in the production process could result in a reduction in the number, or delay in the timing, of projects available to our company, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

34. ***If incentives for film and content production in the jurisdictions in which our company operates are altered, challenged or revoked or similar incentives are introduced in other jurisdictions, film and content producers may shift their productions to jurisdictions in which our company currently has no presence or may reduce their level of production in general.***

Production incentives for the production of visual entertainment content are widely used throughout the industry and are important in helping to offset production costs. Many countries, including the United Kingdom and individual provinces of Canada and states within the United States have programmes designed to attract production. Incentives are used to reduce production costs and such incentives take different forms, including direct government rebates or grants, sale and leaseback transactions and transferable tax credits. If film and content producers are unable to access any of these incentives because they are challenged, modified or eliminated, film and content producers may not be able to offset production costs and may reduce their budgets for VFX services or release fewer films overall or shift their productions to jurisdictions in which our company currently has no presence, any of which could adversely impact the demand for our services.

The laws and procedures governing these production incentives are subject to change. Tax authorities in certain jurisdictions, such as the province of British Columbia in Canada, have altered the applicability of certain industry practices with respect to labour requirements pursuant to their production tax incentives to service providers. Moreover, if these tax incentives are introduced in other jurisdictions, film and content producers may choose to locate their productions and facilities in markets in which our company currently has no presence. These moves may adversely impact our ability to secure work on the productions and we may have to expand its services to such locations which, as a result, could have a material adverse effect on our business, financial condition, cash flow and results of operations.

35. ***Our business depends upon communications networks operated by third-party providers as well as the internet, the disruption of which could negatively affect our business.***

Our ability to deliver projects efficiently and on time relies heavily on dedicated high bandwidth links provided by communications networks in addition to the internet that are subject to government regulation and are often operated and maintained by third parties. In the event that any of the communication services were inoperable for a period of time, or our company's ability to share information between its operating locations is compromised or if changes in government regulation were to increase expenses or difficulty of facilitating the transfer of data between our operating locations, we may be unable to fulfil requirements to our customers which may result in contractual penalties, concessions or termination. In addition, disruption or failure of communications may result in important data being lost or otherwise damaged, which could result in additional costs and delays and have a material adverse effect on our business, financial condition, cash flow and results of operations.

36. ***Increases in operational costs, including wage increases, in India may prevent our company from sustaining our competitive advantage and may reduce our profit margin.***

We have key operations in India where we produce substantial portions of our projects. Operational and wage costs in India have historically been significantly lower than wage costs in the United States, Canada and Europe for comparably skilled professionals. This cost differential has been one of our competitive advantages because we can offer services to customers for lower cost due to our operations in India. However, because of rapid economic growth in India, inflation and demand for skilled employees in India, wages for comparably skilled employees in India are increasing at a faster rate which may reduce this competitive advantage.

If our expenses related to salaries or wages payable to our employees or any other expenses increase due to continued high rates of inflation in India, our company may not be able to pass on any such additional expenses to our customers and our results of operations may be adversely affected. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition. If we increase levels of employee compensation to remain competitive in attracting the quantity and quality of employees that the business requires, the cost of producing portions of our projects will likely increase. These cost increases may reduce our profit margins and have a material adverse effect on our business, financial condition, cash flow and results of operations.

In addition, labour in India has historically been more readily available at relatively lower costs as compared to labour costs in other countries. However, our business could be adversely affected by any change in laws or interpretation of existing laws, or promulgation of new laws, rules and regulations applicable to us. For example, changes to Indian labour laws or regulations or unionization of our employees could increase our costs and decrease our profitability, which could have a material adverse effect on our business, financial condition and results of operations.

37. ***Restrictions on entry visas may affect our ability to compete for and provide services to customers in certain countries, which could have a material adverse effect on future revenue.***

The ability of some of our executives to work with and meet European and North American customers and customers from other countries depends on the ability of our senior managers and employees to obtain the necessary visas and entry permits. In response to terrorist attacks and global unrest, U.S. and European immigration authorities have increased the level of scrutiny in granting visas. Immigration laws in those jurisdictions may also require our company to meet other legal requirements as a condition to obtaining or maintaining entry visas. These restrictions have significantly lengthened the time requirements to obtain visas for our personnel, which may result, in delays in the ability of our personnel to meet with our customers. In addition, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions or other events, including terrorist attacks. We cannot predict the political or economic events that could affect immigration laws, or any restrictive impact those events could have on obtaining or monitoring entry visas for our personnel. If we are unable to obtain the necessary visas for personnel who need to visit our customers' sites, or if visas are delayed, we may not be able to provide services to these customers or to continue to provide services on a timely basis, which could have a material adverse effect on our business, financial condition, cash flow and results of operations.

38. ***The international nature of VFX business exposes it to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.***

Our company, in future, plans to set up its VFX facilities in multiple jurisdictions outside India. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- difficulties and costs associated with staffing and managing the global operations of our Company, such as navigating high cost of moving employees across offices as well as legal restrictions on their mobility on account of immigration rules in each location;
- significant currency fluctuations between the U.S. dollar and currencies in other jurisdictions;
- inflation;
- legal uncertainty owing to the overlap of different legal regimes, and problems in enforcing contractual or other rights across international borders for our Company which has various contracts with multiple parties across jurisdictions for its operations;
- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries, and the possibility that there may be changes in relevant tax treaties between countries or a determination by a tax authority that we are not eligible for the benefits of a tax treaty or incentive (service tax, interest and penalties for non-withholding of taxes may also apply);
- changes in certain tax credit or incentive regimes;
- anti-corruption laws and regulations and changes in these laws and regulations;
- potential tariffs and other trade barriers;
- unexpected changes in regulatory requirements, including restrictions on content;
- differing degrees of protection for intellectual property, including varying standards between India and other countries;
- the need to adapt our business model to local requirements;
- the instability of foreign economies and governments;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- terrorist attacks and other acts of violence or war.

Further, film and content producers may refrain from producing and releasing VFX content for various reasons, including as a result of changes in regulation. For example, the Chinese government sets a quota on the number of foreign films that may be released each year, subject to certain exemptions, including an exemption for 3D films. Any reduction of the quota or elimination or alteration of the 3D film exemption could severely restrict access to the large and growing Chinese market for visual entertainment content and cause content producers to refrain from producing and releasing VFX content.

Events or developments related to these and other risks associated with international business in future could have a material adverse effect on our business, financial condition, cash flow and results of operations.

39. Our Registered and Branch Offices are operated on rented premises and our inability to renew such leave and license agreements may adversely affect our business, results of operations and financial condition.

Our Registered Office is taken on a leave and license basis for three years expiring in April 2026. Further, our current Branch Offices in Lucknow and Palghar are taken on a leave and license basis for eleven months expiring in May 2025 and for thirty-three months expiring in October 2024, respectively. In the event that the existing license is terminated or it is not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations in a timely manner, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, the leave and license agreements are required to be duly registered and adequately stamped under Indian law and if our leave and license agreements entered into by us, are not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India along with the requisite stamp duty prescribed under applicable Indian law being paid.

Further, the property proposed to be taken on leave and license basis for our new branch office in Andheri, is currently under negotiation, with the final agreement expected to be executed in September 2024. There is a risk that the terms of the agreement may not be finalized as planned, which could lead to delays or alterations in our operational plans. Any unforeseen complications, such as legal disputes, changes in property ownership, or regulatory hurdles, could adversely affect our ability to secure the property, potentially impacting our planned business activities and expansion strategies.

Further, our proposed new branch office in Lucknow is taken on leave and license basis for eleven months expiring in June 2025 from one of our Promoters, Sameer Rai. This arrangement poses potential risks, including legal and financial complications related to ownership, control, and liability. In the event of a dispute or any changes in our Promoter's status, our company may face challenges in maintaining or transferring the lease, which could disrupt operations. Additionally, this setup might lead to concerns about transparency and governance, potentially impacting stakeholder confidence.

40. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks. Despite our internal control systems, we may be exposed to operational risks, including fraud, petty theft and embezzlement, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions.

Notwithstanding that the auditors' report issued on the internal financial controls over financial reporting of our Company for Fiscals 2024, 2023 and 2022 did not contain a qualified opinion or disclaimer of opinion, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, we may be exposed to the risk of fraud or other misconduct by employees or customers. Fraud and other misconduct can be difficult to detect and deter. Certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases. In addition, our dependence upon technical systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.

<u>Other Risks</u>

41. Any inability to expand our business into new regions and markets in India or the sub-optimal performance of our new facilities could adversely affect our business, prospects, results of operations, financial condition and cash flows.

As part of our growth strategy, we continue to evaluate opportunities to expand our network across regions in India. Factors such as competition, client requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other VFX service providers and large, national or international companies but also the regional and local companies, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target clients.

As we plan to expand our geographic footprint, and open new facilities, we may be exposed to additional challenges, including identifying and collaborating with local business partners with whom we may have no previous business relations, obtaining necessary governmental approvals, successfully marketing our brand and services in markets in which we have no familiarity; attracting clients in a market in which we do not have significant experience or visibility; being subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken.

42. Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.

We could be held liable for accidents that occur at our offices. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our operational, licensed properties are insured with independent third parties in respect of buildings and equipment covering losses due to fire, burglary, terrorism, earthquake and allied perils. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. For details, see "*Our Business – Insurance*" on page 177.

Our policies are subject to standard limitations that apply to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, insurance policies. We cannot assure you that the operation of our business will not be affected by any of the risks and hazards listed above. In addition, our insurance may not provide adequate coverage in certain circumstances including losses arising due to third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments and our results of operations, financial condition and cash flows may therefore be adversely affected.

We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition and future results of operations and cash flows. There can be no assurance that any claims filed will be honoured fully or in a timely fashion under our insurance policies. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

43. ***Our company depends on assets and operations in India, which are subject to regulatory, economic, social and political uncertainties.***

Our company has operations in India Consequently, our performance may be affected by changes in laws and government policies, taxation, social instability and civil unrest, political conditions and negative economic developments in India, such as rising fiscal or trade deficits. Economic slowdown and an increase in inflation in India, coupled with high volatility and uncertainty as to the future global economic landscape, can have an adverse effect on consumers' disposable income and discretionary consumer spending affecting the entertainment sector that our company serves. As a result, demand for our services may be adversely affected by an economic downturn in the Indian economy which could have an adverse effect on our business, financial condition, cash flow and results of operations and reduce the price of our equity shares.

The Indian Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, as well as our future financial performance and ability to implement our strategy. While the current government has announced that its general intention is to continue India's economic liberalisation and deregulation policies, there can be no assurance that such policies will be continued and the rate of economic liberalisation could change affecting foreign investments and foreign exchange controls among others. Our business is also impacted by regulations and conditions in the various states in India where our company operates. For example, the government of India may decide to introduce a reservation policy, which would require all companies operating in the private sector in India, to reserve a percentage of jobs for the economically underprivileged population in the relevant state. If this policy is introduced, our ability to hire employees of our choice would be restricted.

India has witnessed natural disasters, including cyclones, floods, fires, earthquakes and tsunamis and other disasters such as fires, explosions, outbreaks of epidemics or communicable diseases, civil unrest and terrorist attacks in the past. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in or create concern of regional instability, which could have an adverse effect on our business, financial condition, cash flow and results of operations. Any disturbance in the future could result in disruptions in transportation or communication networks, as well as have adverse implications for general economic conditions in India. These events or other political tensions could similarly create a perception that there is a risk of disruption of services provided by companies doing business in India. Our business, financial condition, cash flow and results of operations may be adversely affected by changes in inflation, exchange rates and controls, interest rates, taxation and other government of India policies, social stability or other political, economic or diplomatic developments affecting India in the future.

44. ***We have commissioned an industry report from Dun & Bradstreet Information Services India Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus.***

We have commissioned and paid for a report titled "*Report on VFX Industry in India*" dated August 20, 2024, which is exclusively prepared for the purposes of the Issue and issued by D&B and is commissioned and paid for by our Company, which has been used for industry related data that has been disclosed in this Draft Red Herring Prospectus. Our Company, our Promoters and our Directors are not related to D&B. D&B uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. D&B has advised that while it has taken reasonable care to ensure the accuracy and completeness of the D&B Report, it believes that the D&B Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters/ conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Further, the D&B Report is not a recommendation to invest / disinvest in any company covered in the D&B Report. Accordingly, prospective investors should not base their investment decision solely on the information in the D&B Report.

The commissioned D&B Report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that D&B's assumptions are correct and will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from under-taking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Issue.

Risks Relating to the Promoters and Promoter Group

45. Our Promoters and Promoter Group will continue to retain a majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.

After the completion of the Issue, our Promoters and Promoter Group is expected to hold [●] % of our outstanding Equity Shares. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business and prospects.

Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Promoters' shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

46. Our Directors and Promoters may enter into ventures which are in businesses similar to ours.

The interests of our directors or Promoters may not align with the interests of our other Shareholders due to their involvement in other ventures which are in businesses similar to ours or that may compete with our business or may benefit from preferential treatments when doing business with our Company. Our Directors, or Promoters, as applicable, may, for business considerations or otherwise, in transactions with other ventures where they have interest, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may materially adversely impact our business, financial condition, results of operations and cash flows.

As a result, conflicts of interest may arise when we sell our solutions to such Promoter Group at lower prices, or give it any other form of preferential treatment. There can be no assurance that our Promoters or any company controlled by our Promoters will not enter into businesses similar to ours or compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

47. ***We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Directors and Key Managerial Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

We have in the past entered into certain related party transactions with our Key Managerial Personnel, Directors, relatives of Directors. Further, our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. For further details in relation to our related party transactions for Fiscals 2024, 2023 and 2022, see "*Summary of the Offer Document – Summary of Related Party Transactions*" and "*Other Financial Information – Related Party Transactions*" on pages 31 and 213, respectively. For further details in relation to interest of our directors, and Key Managerial Personnel and Senior Management, see "*Our Management - Interest of Directors*" and "*Our Management - Interest of Key Managerial Personnel and Senior Management*" on pages 194 and 204 respectively.

While we believe that all such related party transactions for Fiscals 2024, 2023 and 2022 have been conducted on an arm's length basis and were not prejudicial to our interests, we may enter into related-party transactions in the future which will be subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such future related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations.

<u>Other Risks Relating to the Issue and the Objects of the Issue</u>

48. ***The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Issue Price of the Equity Shares will be determined by our Company, in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including those described under "*Basis for Issue Price*" on page 106, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

49. ***We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS.***

This Draft Red Herring Prospectus includes our Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Capital Employed, Return on Capital Employed, Debt to Equity Ratio, Net Debt to Equity Ratio and Net Worth (collectively "**Non-GAAP Measures**") and certain other industry measures related to our operations and financial performance, which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, AS, IFRS or U.S. GAAP. For further details in relation to reconciliation of Non-GAAP Measures, see "*Other Financial Information*" on page 211.

Further, these Non-GAAP Measures and industry measures are not a measurement of our financial performance or liquidity under AS, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with AS, IFRS or U.S. GAAP. In addition, such Non-GAAP Measures and industry measures are not standardized terms, and may vary from any standard methodology that is applicable across the Indian financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies, and hence a direct comparison of these Non-GAAP Measures and industry measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and industry measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures and industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by AS and may not be comparable to similarly titled measures presented by other companies.

50. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Information are derived from our audited financial statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Indian GAAP, and all restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations, and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP, IFRS or any other accounting principles. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

51. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchange in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchange have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchange for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchange. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchange. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

External Risk Factors

Risks Related to India

52. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

53. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business, cash flows and results of operations.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our VFX services may be adversely affected by an economic downturn in domestic, regional and global economies. Our results of operations are significantly affected by factors influencing the Indian economy. Economic growth in India is affected by various factors including:

- domestic consumption and savings, and prevailing income conditions among consumers and corporations in India;
- any increase in Indian interest rates or inflation;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets;
- global economic uncertainty and liquidity crisis and volatility in exchange currency rates; and
- other significant regulatory or economic developments in or affecting India or its VFX industry.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

On February 24, 2022, Russian military forces invaded Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict and responses from international communities could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

To date, we have not experienced any material interruptions in our business operations in connection with these conflicts. We have no way to predict the progress or outcome of the conflict in Ukraine as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations.

54. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. The Competition Act has been recently amended pursuant to Companies (Amendment) Act, 2023, which has, inter-alia increased the scope of agreements to be reviewed by the Competition Commission of India and reporting of transaction to Competition Commission of India will be based on deal value of acquisition, merger or amalgamation, instead on asset or turnover. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

55. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Further, any future amendments may affect our tax benefits such as exemptions for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemptions for interest received in respect of tax-free bonds, and long-term capital gains on equity shares. The Government of India has announced the union budget for Fiscal 2025, pursuant to which certain provisions of the Finance Act, 2024, has come into force on April 1, 2024 which has introduced various amendments to the IT Act. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether the amendments made pursuant to the Finance Act, 2024 would have an adverse effect on our business, financial condition, future cash flows and results of operations.

Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. For further discussion on capital gains tax, see *"- Investors may be subject to Indian taxes arising out of income arising from distribution of dividend and sale of the Equity Shares*." on page 61.

We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules, and regulations applicable to us and our business. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us, our business, operations, or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and expend resources relating to compliance with such new requirements, which may also require significant management time, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

56. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

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

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 278.

57. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

58. A third party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI SAST Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI SAST Regulations.

Risks Related to the Issue

59. We cannot assure payment of dividends on the Equity Shares in the future.

Our Company adopted a formal dividend policy on August 17, 2024. Our Company has not declared dividends on the Equity Shares during the current Fiscal Year and the last three Fiscal Years.

Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profitable growth of our Company and specifically profits earned during the relevant fiscal, earning stability and outlook, past dividend pattern, cash flow position of our Company, capital expenditure to be incurred by our Company, accumulated reserves, statutory requirements like transfer to statutory reserve fund, liquidity position of our Company including its working capital requirements and debt servicing obligations. In addition, our ability to pay dividends may be impacted by a number of factors such as economic environment, changes in the Government policies, industry specific rulings and regulatory provisions, industry outlook for the future years, and inflation rate. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to our dividend policy, see "*Dividend Policy*" on page 209.

60. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market for our Equity Share on the Stock Exchange may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Furthermore, the Issue Price of the Equity Shares will be determined through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Issue Price*" on page 106 and may not be indicative of the market price for the Equity Shares after the Issue.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts, the activities of competitors and suppliers, future sales of the Equity Shares by our Company or our shareholders, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Issue Price.

61. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price determined in consultation with Book Running Lead Manager in accordance with the SEBI ICDR Regulations.

The average cost of acquisition of Equity Shares for our Promoters may be lower than the Issue Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Draft Red Herring Prospectus is set out below:

S. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Raghvendra Rai	88,50,600	0.01
2.	Sameer Rai	89,400	-

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

For details regarding weighted average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title "*Summary of the Offer Document*" on page 29.

62. Our Company has issued Equity Shares during the preceding one year at a price that may be below the Issue Price.

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Issue Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see "*Capital Structure*" on page 79.

63. Investors may be subject to Indian taxes arising out of income arising from distribution of dividend and sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. Investors may be subject to payment of long-term or short-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more or less than 12 months immediately preceding the date of transfer. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company.

In terms of the Finance Act, 2018, with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹1,00,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

64. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/ Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Budders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. However, Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchange where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

65. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company would be reduced.

66. Future issuances or sales of Equity Shares, or convertible securities or other equity-linked securities could adversely affect the trading price of the Equity Shares.

Our future issuances of Equity Shares, convertible securities or securities linked to the Equity Shares by us (including under employee stock option plans) or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

67. Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Subject to requisite approvals, on listing, our Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to such investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

68. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.

Subject to requisite approvals, the Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchange. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid/ Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within three Working Days of the Bid/ Issue Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods. For further details, see “*Issue Procedure*” on page 260.

SECTION IV – INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue of Equity Shares [(1) (2)]	Up to 36,94,000 Equity Shares aggregating ₹ [●] Lakhs
Of which:	
Market Maker Reservation Portion [(3)]	Up to [●] Equity Shares aggregating ₹ [●] Lakhs
Net Issue to Public	Up to [●] Equity Shares aggregating ₹ [●] Lakhs
The Net Issue comprises [(4)]:	
A) QIB Portion [(5) (6)]	Not more than [●] Equity Shares
Of which:	
i) Anchor Investor Portion	Up to [●] Equity Shares
ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion [(6) (7) (8)]	Not less than [●] Equity Shares
C) Retail Portion [(6) (7) (8)]	Not less than [●] Equity Shares
Pre and Post Issue Equity Shares	
Equity shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	[●] Equity Shares
Equity shares outstanding after the Issue	Up to [●] Equity Shares
Use of Net Proceeds	See "*Objects of the Issue*" on page 89 for information on the use of proceeds arising from the Issue

Notes:

(1) This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations and accordance with Rule 19(2)(b) of the SCRR.

(2) The Issue has been authorized by a resolution of our Board dated August 13, 2024 and by special resolution passed under 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of our shareholders held on August 16, 2024.

(3) Our company, in consultation with the BRLM, shall allocate at least 5% of the Issue to the Designated Market Maker under the Market Maker Reservation Portion as per Regulation 261(4) of the SEBI ICDR Regulations.

(4) The allocation in the Net Issue to the public shall be made as per Regulation 253(1) of the SEBI ICDR Regulations.

(5) Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 260.

(6) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

(7) Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to each Non-Institutional Bidders shall not be less than ₹2.00 Lakhs, subject to the availability of Equity Shares in Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. For details, see "Issue Procedure" on page 260.

(8) SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual Bidders applying in initial public offerings opening on or after May 1, 2022, where the Bid amount is up to ₹5.00 Lakhs shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For details, including in relation to grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" on pages 257 and 260, respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 251.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Information. The restated financial information presented below may differ in certain significant respects from financial statements prepared in accordance with generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with "Restated Financial Information", including the notes and annexures thereto, on page 210 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 214.

Summary Derived from our Restated Financial Information

Summary Balance Sheet Data

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	688.80	1.00	1.00
Reserves and surplus	514.82	287.51	126.23
Total shareholders' funds	**1,203.62**	**288.51**	**127.23**
Non-current liabilities			
Long-term borrowings	15.07	-	-
Long-term provisions	2.89	1.22	0.42
Total non-current liabilities	**17.96**	**1.22**	**0.42**
Current liabilities			
Short-term borrowings	3.97	-	-
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	176.39	81.50	67.51
Other current liabilities	96.64	41.95	12.69
Short-term provisions	203.81	62.32	18.53
Total current liabilities	**480.81**	**185.77**	**98.73**
TOTAL EQUITY AND LIABILITIES	**1,702.39**	**475.50**	**226.37**
ASSETS			
Non-current assets			
Property, plant and equipment	113.10	25.26	4.35
Intangible Assets	103.91	10.91	0.27
Non-Current Investments	512.05	141.60	25.00
Deferred tax assets (net)	1.46	0.35	0.30
Total non-current assets	**730.52**	**178.13**	**29.92**
Current Assets			
Trade receivables	612.91	50.65	52.12
Cash and cash equivalents	180.03	167.08	88.26
Short term loans and Advances	9.30	0.61	7.10
Other current assets	169.63	79.04	48.98
Total current assets	**971.87**	**297.37**	**196.46**
TOTAL ASSETS	**1,702.39**	**475.50**	**226.38**

Summary of Profit and Loss Data

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Income			
Revenue from operations	2,008.80	804.29	389.29
Other income	17.58	3.97	1.46
Total Income	**2,026.38**	**808.26**	**390.75**
Expenses			
Cost of services	879.48	402.56	180.25
Employee benefits expense	101.05	83.45	88.45
Finance costs	2.02	0.29	0.37
Depreciation and amortisation expense	39.92	11.90	2.16
Other expenses	266.57	86.51	50.26
Total expenses	**1289.03**	**584.71**	**321.49**
Profit before tax	**737.35**	**223.55**	**69.26**
Tax expenses			
Current tax	203.81	62.32	18.53
Tax relating to earlier periods	-	-	-
Deferred tax (credit)/charge	(1.11)	(0.05)	(0.28)
Net profit for the period/ year after tax	**534.65**	**161.28**	**51.01**
Earnings per equity share:			
Basic and diluted earnings per share (In Rs.)	5.18	1.56	0.49
(Nominal value of share Rs.10 each)			

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Summary of Cash Flow Data

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Extraordinary items	**737.35**	**223.55**	**69.26**
Adjustments:			
Depreciation and Amortization	39.92	11.90	2.16
Interest Income	(16.62)	(3.27)	(1.46)
Interest Expense	1.49	-	-
Increase / (decrease) in Gratuity provision	1.67	0.80	0.42
Operating Profit before Working Capital Changes	**763.81**	**232.98**	**70.38**
Movements in working capital:			
(Increase)/Decrease in Trade Receivables	(562.26)	1.47	(51.33)
(Increase)/Decrease in Other Current Assets	(90.59)	(30.05)	(7.74)
Increase /(Decrease) in Trade Payables	94.88	14.00	(29.44)
Increase /(Decrease) in Other Liabilities	54.69	29.26	(6.04)
(Increase) /Decrease in Short Term Loans and Advances	(8.69)	6.49	25.65
Increase/ (Decrease) in short term provisions	141.50	43.79	5.66
Working capital changes	**(370.47)**	**64.95**	**(63.23)**
Cash Generated from Operations	393.34	297.93	7.13
Direct taxes paid	(203.81)	(62.32)	(18.53)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**189.53**	**235.61**	**(11.39)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (net of sale)	(220.76)	(43.46)	(4.22)
Purchase of non-current investments	(370.45)	(116.60)	(14.69)
Interest received	16.62	3.27	1.46
NET CASH USED IN INVESTING ACTIVITIES	**(574.59)**	**(156.79)**	**(17.44)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds / (repayment) from long term borrowings (net)	15.07	-	-
Proceeds / (repayment) from short term borrowings (net)	3.97	-	-
Proceeds from issue of share capital	380.46	-	-
Interest paid	(1.49)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	**398.02**	**-**	**-**
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	12.96	78.82	(28.83)
Cash and cash equivalents at beginning of the year/period	167.08	88.26	117.09
Cash and cash equivalents at the end of the year	**180.03**	**167.08**	**88.26**

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GENERAL INFORMATION

Our company was incorporated as a One Person Company under the name "*Identical Brains (OPC) Private Limited*" under the provisions of the Companies Act, 2013 vide certificate of incorporation dated February 04, 2019 issued by the Assistant Registrar of Companies, Central Registration Centre, Manesar. Further, our company was converted from a OPC to private limited company pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on April 02, 2021 and the name of our Company was changed to "*Identical Brains Private Limited*" with a fresh Certificate of Incorporation dated July 08, 2021 issued by the RoC. Subsequently, the name of our company was changed to "*Identical Brains Studios Private Limited*" pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on March 22, 2024, consequent upon which, a fresh certificate of incorporation dated June 18, 2024 was issued by the Assistant Registrar of Companies, Central Registration Centre. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on June 21, 2024 and the name of our Company was changed to "*Identical Brains Studios Limited*" with a fresh certificate of incorporation dated August 12, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office is as follows:

Identical Brains Studios Limited
802, 803 and 804, Crescent Royale,
Veera Desai Road, off. New Link Road,
Oshiwara, Andheri, Mumbai – 400 053,
Maharashtra, India
Telephone: 022 – 6894 3898
Email: info@identicalbrains.com
Investor Grievance E-mail: investor@identicalbrains.com
Website: www.identicalbrains.com

For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 187.

Company Registration Number and Corporate Identification Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	320624
Corporate Identity Number	U22219MH2019PLC320624

Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai at Maharashtra, which is situated at the following address:

Registrar of Companies, Mumbai
Ministry of Corporate Affairs,
100, Everest, Marine Drive,
Mumbai – 400 002, Maharashtra, India
Telephone: 022 - 2281 2627
Email: roc.mumbai@mca.gov.in
Website: www.mca.gov.in

Board of Directors

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

Name	Designation	DIN	Residential Address
Raghvendra Rai	Managing Director	08351262	A-404, Maple Heights CHS Ltd, Shivaji Nagar, Kurar Village, Malad East, Mumbai – 400 097, Maharashtra, India
Sameer Rai	Executive Director	09075325	Village Post, Mahuja Newada, Sohauli, Bardah, Azamgarh – 276 301, Uttar Pradesh, India
Stevina Alban Vaity	Non-Executive Director	10520816	Vaity House, L.M. Road, Kandarpada, Dahisar East, Mumbai – 400 068, Maharashtra, India
Shridhar Sanjay Tari	Independent Director	10525833	A-13/3, Panchasheel (B) Apartment, Lokmanya Nagar Pada No. 2, Jekegram, Thane West, Mumbai – 400 606, Maharashtra, India
Rakesh Ramchandra Pawar	Independent Director	10528355	402, Coral A Wing, Highland Haven, Saket Road, Balkum Pada Number 3, Shrirang Nagar, Thane, Mumbai – 400 608, Maharashtra, India

For further details of our Board of Directors, please see "*Our Management – Brief Profile of our Directors*" on page 191.

Company Secretary and Compliance Officer

Pallavi Ashok Chavan is the Company Secretary and Compliance Officer of our company. Her contact details are as follows:

Pallavi Ashok Chavan
802, 803 and 804, Crescent Royale,
Veera Desai Road, off. New Link Road,
Oshiwara, Andheri, Mumbai – 400 053,
Maharashtra, India
Telephone: 022 – 6894 3898
Email: info@identicalbrains.com
Investor Grievance E-mail: investor@identicalbrains.com
Website: www.identicalbrains.com

Registrar to the Issue

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400 093,
Maharashtra, India
Telephone: 022 – 6263 8200
Email: ipo@bigshareonline.com
Investor Grievance E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Rapheal C
SEBI Registration Number: INR000001385

Book Running Lead Manager

Socradamus Capital Private Limited
Gala No. 303, Cama Industrial Estate,
Sun Mill Compound, Delisle Road,
Lower Parel (West), Mumbai – 400 013,
Maharashtra, India
Telephone: 022 – 4961 4235
Email: info@socradamus.in
Website: www.socradamus.in
Investor Grievance E-mail: investors@socradamus.in
Contact Person: Kritika Rupda
SEBI Registration Number: INM000013138

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Inter-Se allocation of responsibilities of the Book Running Lead Manager

Socradamus Capital Private Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Legal Advisor to the Issue

M. V. Kini Law Firm
Kini House, 6/39, Jangpura – B,
New Delhi – 110 014, India
Telephone: 011 - 2437 1038/39/40
Email: corporatedelhi@mvkini.com
Contact Person: Vidisha Krishnan

Statutory Auditors of our Company

M/s. S C Mehra & Associates LLP
Chartered Accountants
404, Rajashri Accord CHS, 4th Floor,
Telly Gally Cross Road, Sampada Society
Andheri East, Mumbai - 400 069, Maharashtra, India
Telephone: +91 93263 53367
Email: arun.maniyar@scmassociates.in
Contact Person: CA Arun N Maniyar
Membership No: 111968
Firm Registration No.: 106156W
Peer Review No.: 015350

Except as disclosed below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of change	Reason for change	Period
M/s. S C Mehra & Associates LLP 404, Rajashri Accord CHS, 4th Floor, Telly Gally Cross Road, Sampada Society Andheri East, Mumbai - 400 069, Maharashtra, India **Tel:** 022 – 4924 9411 **Firm Registration Number:** 106156W	Re-Appointed on August 16, 2024	Re-Appointed as statutory auditors for five years	Financial Year 2024-25 to 2028-29

Particulars	Date of change	Reason for change	Period
M/s. S C Mehra & Associates LLP Unit No 404, Rajashri Accord CHS, 4th Floor, Cross Telly Gally, Near Vihar Punjab Hotel, Andheri East, Mumbai - 400 069, Maharashtra, India **Tel:** 022 – 4924 9411 **Firm Registration Number:** 106156W	Appointment on March 05, 2024	Appointed in case of casual vacancy	Financial Year 2023-24
M/s. A P Mishra & Associates A/002 Vishwakarma CHS, Savarkar Nagar, Thane - 400 606, Maharashtra, India **Tel:** +91 869183215 **Firm Registration Number:** 137972W	Resigned on February 01, 2024	Resignation due to professional pre-occupation. Further, A P Mishra & Associates by way of its letter February 01, 2024 confirmed that they resigned from the Company due to pre-occupation and there are no other matters involved including dispute or disagreement with the Company on audited financial statements of the Company for financial year 2023-24	Financial Year 2023-24
M/s. A P Mishra & Associates A/002 Vishwakarma CHS, Savarkar Nagar, Thane - 400 606, Maharashtra, India **Tel:** +91 869183215 **Firm Registration Number:** 137972W	Re-Appointed on September 20, 2023	Re-Appointed as statutory auditors	Financial Year 2023-24

Bankers to our Company

IndusInd Bank Limited
Ground Floor, Opus Centre
#47, Central Road, Opp. Tunga Paradise,
MIDC, Andheri East, Mumbai – 400 093,
Maharashtra, India
Telephone: +91 86929 07320/ +91 98198 38539
Email: swati.suryavanshi@indusind.com
Website: www.indusind.com
Contact Person: Swati Suryavanshi

Bankers to the Issue

Escrow Collection Bank, Refund Bank and Sponsor Bank

[●]

Public Issue Account Bank and Sponsor Bank

[●]

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks Eligible as Issuer Banks for UPI

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than RIBs), including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE at https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of Stock Exchange at http://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the website of NSE at http://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Credit Rating

As this is an Issue consisting only of Equity Shares, there is no requirement to obtain credit rating for the Issue.

Grading of the Issue

Since this Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing any credit agency registered with SEBI for obtaining grading for the Issue.

Debenture Trustee

As this is an Issue consisting only of Equity Shares, the appointment of a debenture trustee in not required.

Monitoring Agency

As this is an Issue for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors, the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Appraising Entity

No appraising entity has been appointed in relation to the Issue.

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band will be decided by our Company, in consultation with the Book Running Lead Manager and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, 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 Stock Exchange for the purposes of uploading on their respective websites. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager, after the Bid / Issue Closing Date. For details, see "*Issue Procedure*" on page 260.

All Bidders, other than Anchor Investors, shall only participate in this Issue through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. UPI Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors in the Anchor Investor Portion cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non – Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For an illustration of the Book Building Process and further details, see "*Terms of the Issue*" and "*Issue Procedure*" on pages 251 and 260, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgement about investment through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining final listing and trading approvals from the Stock Exchange, which our Company shall apply for after Allotment within two Working Days of the Bid / Issue Closing Date or such other time period as may be prescribed under applicable law.

For further details on the method and procedure for Bidding, see "*Issue Procedure*" on page 260.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditors namely, M/s. S C Mehra & Associates LLP, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Information dated August 21, 2024 and the Statement of Special Tax Benefits dated August 21, 2024 issued by them and included in this Draft Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as "Expert" as defined under section 2 (38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Filing of the Offer Document

A copy of this Draft Red Herring Prospectus has been filed through the NSE NEAPS portal at https://neaps.nseindia.com/NEWLISTINGCORP/ and will also be filed with NSE at the following address:

National Stock Exchange of India Ltd
NSE Emerge
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051,
Maharashtra, India

In accordance with the Regulation 246 of the SEBI ICDR Regulations and in accordance with the SEBI Master Circular, a copy of the Red Herring Prospectus and Prospectus shall be filed through the SEBI Intermediary Portal at https://siportal.sebi.gov.in. However, SEBI will not issue any observation on the Offer Document.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC at its office at Mumbai and through the electronic portal of the MCA at least three working days prior from the date of opening of the Bid / Issue period.

Underwriting

This Issue is 100% underwritten by Socradamus Capital Private Limited in the capacity of Underwriter to the Issue. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being issued through this Issue:

Details of the Underwriter	**No. of Equity Shares Underwritten**	**Amount Underwritten (₹ in Lakhs)**	**% of the Issue size underwritten**
Socradamus Capital Private Limited Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Telephone:** 022 – 4961 4235 **Email:** info@socradamus.in **Website:** www.socradamus.in **Investor Grievance E-mail:** investors@socradamus.in	Up to 36,94,000	[●]	100.00%

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten (₹ in Lakhs)	% of the Issue size underwritten
Contact Person: Kritika Rupda **SEBI Registration Number:** INM000013138			
Total	**[●]**	**[●]**	**100.00%**

**Includes up to [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In accordance with Regulation 260 (2) of the SEBI ICDR Regulations, this Issue has been 100% underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that the BRLM have underwritten at least 15% of the total Issue Size.

In the opinion of the Board of our Directors of our company, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act as merchant bankers or stock brokers.

The Book Running Lead Manager shall file an undertaking to the SEBI that the Issue has been 100% underwritten along with the list of underwriters indicating the extent of underwriting or subscription commitment made by each of them, one day before the opening of Issue. If any of the underwriters fail to fulfil their underwriting obligations, the Book Running Lead Manager shall fulfil the underwriting obligations. Further, the underwriters, other than the Book Running Lead Manager, who have entered into an agreement for subscribing to the issue in case of under-subscription, shall not subscribe to this issue in any manner except for fulfilling their obligations under the Underwriting Agreement with the Book Running Lead Manager in this regard.

Market Making

[●], registered with NSE will act as the Market Maker in accordance with Regulation 261 of the SEBI ICDR Regulations. Our company has entered into an agreement dated [●], with the Book Running Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of our equity shares on NSE Emerge or for a period as may be notified by any amendment in the SEBI ICDR Regulations.

Our company, in consultation with the Book Running Lead Manager, shall allot at least 5% of the Issue to the Market Maker under the Market Maker Reservation Portion as per the Regulation 261 (4) of the SEBI ICDR Regulations:

Details of the Market Maker	No. of Equity Shares	Amount (₹ in Lakhs)	% of the Issue
[●] (Address) **Telephone:** **Email:** **Website:** **Investor Grievance E-mail:** **Contact Person:** **SEBI Registration Number:** **NSE Clearing Number:**	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

Pursuant to NSE Circular no. 54/2023 dated August 31, 2023, the Market Maker shall confirm that it has sufficient net worth to enable them to discharge their respective market making obligations in full.

The Market Maker shall at all times adhere to the byelaws, rules and regulations of NSE and shall comply with such operational parameters, rulings, notices, guidelines and instructions of NSE as may be applicable from time to time. The Market Maker shall also comply with the SEBI ICDR Regulations, circulars issued by SEBI from time to time and such other rules, regulations and or guidelines issued by SEBI from time to time.

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

1. The Market Maker shall provide eligible 2-way quotes for 75% of the market time for each trading session of the normal market from the date of listing of the equity shares. The same shall be monitored by the NSE. Further, the Market Maker shall inform NSE in advance for each and every black out period when the quotes are not being issued by the Market Maker.

2. The minimum depth of the quote shall be ₹1,00,000. However, the Bidders with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per equity share, the minimum lot size is [●] Equity Shares, thus minimum depth of the quote shall be ₹ [●] until the same would be revised by NSE.

3. After first three (3) months of the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of the Market Maker in our company reaches to 20% of the issue size (including [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken into consideration of computing the threshold of 20% of the issue size. As soon as the Equity Shares of the Market Maker in our Company reduces to 19%, the Market Maker will resume providing 2-way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, NSE may intimate the same to SEBI after due verification.

5. On the first day of the listing, there will be a pre-opening session (call auction) for a duration of 60 minutes i.e. from 9:00 a.m. to 10:00 a.m., out of which 45 minutes shall be allowed for order entry, order modification and order cancellation, 10 minutes for order matching and trade confirmation and the remaining 5 minutes shall be the buffer period to facilitate the transition from pre-open session to the normal trading session. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The equity shares of the company would remain in Trade for Trade segment for 10 days from the date of listing of Equity shares on NSE.

6. The price band shall be 20% and the market making spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the NSE from time to time.

7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.

8. During the compulsory market making period, the Market Maker shall not buy equity shares from the promoters or any persons belonging to the promoter group or any person who has acquired equity shares from such promoters or promoter group.

9. There would not be more than five (5) Market Makers for the company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the Bidders. At this stage, [●] is acting as the sole Market Maker.

10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from NSE, while no prior approval for non-controllable reasons. The decision of the NSE for deciding controllable and non-controllable reasons would be final.

12. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a new Market Maker.

    In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further, the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time.

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

14. NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the NSE on the Market Maker, in case they are not able to provide the

desired liquidity in a particular security as per the specified guidelines. These penalties / fines are set by the NSE from time to time. NSE will impose a penalty on the Market Maker in case they are not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the NSE would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

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

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to this Issue, is set forth below:

₹ in lakhs except share data

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	**Authorized Share Capital**		
	1,50,00,000 Equity Shares of face value of ₹10/- each	1,500.00	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	1,03,31,958 Equity Shares of face value of ₹10/- each	1,033.20	-
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	Issue of up to 36,94,000 Equity Shares of face value of ₹10/- each (1)	[●]	[●]
	The Issue includes:		
	Market Maker Reservation Portion of up to [●] Equity Shares of face value of ₹10/- each (2)	[●]	[●]
	Net Issue to Public of up to [●] Equity Shares of face value of ₹10/- each (3)	[●]	[●]
D.	**Issued, Subscribed and Paid-up Share Capital after the Issue***		
	Up to 1,40,25,958 Equity Shares of face value of ₹10/- each	[●]	-
E.	**Securities Premium Account**		
	Before the Issue (4)	-	
	After the Issue	[●]	

** Assuming full subscription of the Issue.*

(1) The Issue has been authorized pursuant to a resolution of our Board dated August 13, 2024 and by Special Resolution passed under 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of our shareholders held on August 16, 2024.

(2) Our company, in consultation with the Book Running Lead Manager, shall allocate at least 5% of the Issue to the Designated Market Maker under the Market Maker Reservation Portion as per the Regulation 261(4) of the SEBI ICDR Regulations.

(3) The allocation in the Net Issue to the public shall be made as per the Regulation 253(1) of the SEBI ICDR Regulations.

(4) Securities Premium before the Issue as on date of this Draft Red Herring Prospectus.

Class of Shares

As on the date of this Draft Red Herring Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹10/- each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

Notes to the Capital Structure

1. Share Capital History

i) Changes in Authorized Share Capital

For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 187.

ii) Equity Share Capital History of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Name of Allottees
Upon Incorporation (February 04, 2019)	10,000	10/-	10/-	Cash	Incorporation	10,000	Subscribers to Memorandum of Association (i)
December 15, 2023	1,557	10/-	25,500/-	Cash	Preferential Issue	11,557	Allotment of Equity Shares to persons other than Promoters and Promoter Group (ii)
December 26, 2023	68,76,415	10/-	-	Nil	Bonus Issue	68,87,972	Issue of bonus shares in the ratio of 595:1 (i.e. 595 new Equity Shares for every 1 Equity Share held) (iii)
July 01, 2024	34,43,986	10/-	-	Nil	Bonus Issue	1,03,31,958	Issue of bonus shares in the ratio of 1:2 (i.e. 1 new Equity Share for every 2 Equity Shares held) (iv)

(i) Subscribers to the Memorandum of Association of our company:

Sr No	Name	No of Equity Shares
1.	Raghvendra Rai	10,000
	Total	**10,000**

**Our company was incorporated as a one-person company under the provisions of the Companies Act.*

(ii) Preferential Issue of 1,557 Equity Shares on December 15, 2023:

Sr. No	Name	No of Equity Shares
1.	Viral Suresh Jain	58
2.	Aman Sanjeev Jain	58
3.	Sanjiv Kumar Rathi	115
4.	Gaurav Agrawal	115
5.	Yash Jasbir Oberoi	576
6.	Oberoi Mega Entertainment LLP	288
7.	Shomik Lalit Ranawat	231
8.	Jaymin Piyushbhai Modi	29
9.	Lalit Manmal Jain	29
10.	Mautik Ajit Tolia	29
11.	Krishnakant Hariprasad Mishra	29
	Total	**1,557**

(iii) Bonus Issue of Equity Shares on December 26, 2023:

Sr. No	Name	No of Equity Shares
1.	Raghvendra Rai	58,90,500
2.	Umesh Rai	59,500
3.	Viral Suresh Jain	34,510
4.	Aman Sanjeev Jain	34,510
5.	Sanjiv Kumar Rathi	68,425
6.	Gaurav Agrawal	68,425
7.	Yash Jasbir Oberoi	3,42,720
8.	Oberoi Mega Entertainment LLP	1,71,360
9.	Shomik Lalit Ranawat	1,37,445
10.	Jaymin Piyushbhai Modi	17,255
11.	Lalit Manmal Jain	17,255

Sr. No	Name	No of Equity Shares
12.	Mautik Ajit Tolia	17,255
13.	Krishnakant Hariprasad Mishra	17,255
	Total	**68,76,415**

The bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on December 15, 2023 and December 21, 2023, respectively and was undertaken by capitalizing the reserves and surplus amount of ₹ 687.64 lakhs in the reserves and surplus account. The bonus issuance was not undertaken out of the revaluation reserves of the Company and hence eligible for Minimum Promoters' Contribution.

(iv) Bonus Issue of Equity Shares on July 01, 2024:

Sr. No	Name	No of Equity Shares
1.	Raghvendra Rai	29,50,200
2.	Sameer Rai	29,800
3.	Viral Suresh Jain	17,284
4.	Aman Sanjeev Jain	17,284
5.	Sanjiv Kumar Rathi	34,270
6.	Gaurav Agrawal	34,270
7.	Yash Jasbir Oberoi	1,71,648
8.	Oberoi Mega Entertainment LLP	85,824
9.	Shomik Lalit Ranawat	68,838
10.	Jaymin Piyushbhai Modi	8,642
11.	Lalit Manmal Jain	8,642
12.	Mautik Ajit Tolia	8,642
13.	Krishnakant Hariprasad Mishra	8,642
	Total	**34,43,986**

The bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on June 19, 2024 and June 21, 2024, respectively and was undertaken by capitalizing the reserves and surplus amount of ₹344.39 lakhs available in the reserves and surplus account. The bonus issuance was not undertaken out of the revaluation reserves of the Company and hence eligible for Minimum Promoters' Contribution.

iii) Preference Share Capital History of our Company

Our Company has not issued any preference shares since incorporation.

2. Shares issued for consideration other than cash or out of revaluation reserves or by way of a bonus issue

Our Company has not issued any Equity Shares out of its revaluation reserves. Further, except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
December 26, 2023	68,76,415	10/-	-	Issue of bonus shares in the ratio of 595:1 (i.e. 595 new Equity Shares for every 1 Equity Share held)	Nil, except for expansion of capital base of our Company
July 01, 2024	34,43,986	10/-	-	Issue of bonus shares in the ratio of 1:2 (i.e. 1 new Equity Share for every 2 Equity Shares held)	Nil, except for expansion of capital base of our Company

3. Equity Shares allotted in terms of any schemes of arrangement

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 230-234 of the Companies Act, 2013.

4. ESOP Schemes

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme for our employees.

5. Shares allotted at a price lower than the Issue Price in the last year

The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid / Issue Closing Date.

Except as disclosed below, we have not issued any Equity Shares at price which may be lower than the Issue price within last one year from the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
December 26, 2023	68,76,415	10/-	-	Issue of bonus shares in the ratio of 595:1 (i.e. 595 new Equity Shares for every 1 Equity Share held)	Nil, except for expansion of capital base of our Company
July 01, 2024	34,43,986	10/-	-	Issue of bonus shares in the ratio of 1:2 (i.e. 1 new Equity Share for every 2 Equity Shares held)	Nil, except for expansion of capital base of our Company

6. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

(i) Equity Shareholding of the Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 89,40,000 Equity Shares, equivalent to 86.53% of the issued, subscribed and paid-up Equity Share capital of our Company.

(ii) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

(iii) Build-up of the Promoters shareholding in our Company

Build-up of the equity shareholding of our Promoters in our Company since incorporation is set forth below:

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
Raghvendra Rai (A)							
On Incorporation	Subscriber to Memorandum of Association	Cash	10,000	10/-	10/-	0.10%	[●]%
April 01, 2021	Transfer to Anant Ramdas Gawali	Cash	(5,000)	10/-	10/-	0.05%	[●]%
October 01, 2021	Transfer from Anant Ramdas Gawali	Cash	4,900	10/-	10/-	0.05%	[●]%
December 26, 2023	Bonus Issue in the ratio of 595:1	Nil	58,90,500	10/-	-	57.01%	[●]%
July 01, 2024	Bonus Issue in the ratio of 1:2	Nil	29,50,200	10/-	-	28.55%	[●]%
Sub-Total (A)			**88,50,600**			**85.66%**	**[●]%**
Sameer Rai (B)							
January 15, 2024	Gift from Umesh Rai	Nil	59,600	10/-	-	0.58%	[●]%
July 01, 2024	Bonus Issue in the ratio of 1:2	Nil	29,800	10/-	-	0.29%	[●]%
Sub-Total (B)			**89,400**			**0.87%**	[●]%
Total (A+B)			**89,40,000**			**86.53%**	**[●]%**

(iv) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

(v) As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(vi) Aggregate shareholding of the Promoter Group

Name	Pre- Issue		Post- Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**

(vii) Equity Shares purchased/sold by the Promoter Group, Directors of our Company and their relatives in the preceding six months from the date of this Draft Red Herring Prospectus

Except as disclosed below, there were no equity shares purchased/sold by the Promoter Group, Directors of our Company and their relatives in the preceding six months from the date of this Draft Red Herring Prospectus:

Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
Raghvendra Rai	July 01, 2024	Promoter & Managing Director	29,50,200	-	Acquired by way of Bonus Issue
Sameer Rai	July 01, 2024	Promoter & Director	29,800	-	

(viii) Financing arrangements by the Promoter group, the Directors of the company and their relatives in the preceding six months from the date of this Draft Red Herring Prospectus

None of the members of the Promoter Group, Directors of our company and their relatives have entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person other than in the normal course of the business of the financing entity in the last six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

7. Promoters' Contribution and Lock-in

(i) Details of minimum Promoters' contribution locked in for three years or any other period as may be prescribed under applicable law

Pursuant to the Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of at least 20.00% of the post issue equity share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of allotment in this Issue. Our Promoters' shareholding in excess of 20.00% shall be locked in for a period of one year from the date of allotment in this Issue. As on date of this Draft Red Herring Prospectus, our Promoters hold 89,40,000 equity shares constituting 86.53% of the issued, subscribed and paid-up equity share capital of our Company.

Our Promoters have given consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20.00% of the post issue Equity Share capital of our Company as Promoters' Contribution.

Further, since the post Issue shareholding of our promoters is more than 20.00%, alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Issue capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s), do not require to contribute to meet the shortfall in minimum Promoters' contribution as specified in the SEBI ICDR Regulations.

Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Equity Shares which will be locked-in for minimum Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoters' Contribution for a period of three years, from the date of Allotment as Promoters' Contribution are as provided below:

Name of Promoter	Date of Allotment/Acquisition	Nature of Allotment	No of Equity shares	Face Value (in ₹)	Issue Price (in ₹)	No of Equity shares locked in	% Of Post-Issue Paid-up Capital	Lock-in Period
Raghvendra Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sameer Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In particular, these Equity Shares do not and shall not consist of:

- Equity Shares acquired three years preceding the date of this Draft Red Herring Prospectus for (a) consideration other than cash and out of revaluation of assets or capitalization of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

- Equity Shares acquired by our promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Issue equity share capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s) during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue. However, if any such Equity Shares are acquired during the one year preceding the date of this Draft Red Herring Prospectus, then the difference between the price at which they were acquired and the price at which the Equity Shares are being offered to the public in the Issue, will be paid;

- Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Further, our promoters have not acquired equity shares in terms of the scheme under sections 230 to 234 of the Companies Act, 2013, as approved by a High Court or a tribunal, as applicable, in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval.

We are not a government company, statutory authority or corporation or any special purpose vehicle set up by any of them, which is engaged in the infrastructure sector.

As on date of this Draft Red Herring prospectus, our company has not allotted equity shares arising from the conversion or exchange of fully paid-up compulsorily convertible securities, including depository receipts, that have been held by our promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Issue equity share capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s), as applicable, for a period of at least one year prior to the filing of this Draft Red Herring Prospectus.

Further, our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm.

(ii) Details of share capital locked-in for one year or any other period as may be prescribed under applicable law

In terms of Regulation 239 of the SEBI ICDR Regulations, the entire pre-issue equity share capital of our Company will be locked-in for a period of one year from the date of allotment in this Issue except for:

(a) The Promoters' Contribution which shall be locked-in for a period of three years as detailed above;

(b) Equity Shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme of our company prior to the initial public offer;

(c) Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme;

Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Any equity shares held by a VCF or Category I AIF or Category II AIF or FVCI (as defined under the SEBI FVCI Regulations), as applicable, provided that such Equity Shares shall be locked in for a period of at least one year prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders, and such VCF or Category I AIF or Category II AIF or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-issue Equity Share capital of the Company.

(iii) Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(iv) Other details with respect to lock-in, pledge and transferability

As on the date of this Draft Red Herring Prospectus, none of our Equity Shares are held by any VCF or Category I AIF or Category II AIF or FVCI. As required under Regulation 241 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked in, may be transferred to Promoters or members of the Promoter Group or to any new Promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the SEBI SAST Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue, may be transferred to any other person holding Equity Shares which are locked -in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI SAST Regulations.

In terms of Regulation 242 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 238 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entity, provided that if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the our company for the purpose of financing one or more of the Objects of the Issue and pledge of specified securities is one of the terms of sanction of the loan; or if the equity shares are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

8. Proposal or intention, negotiations and consideration of the company to alter the capital structure

Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. Shareholding Pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Draft Red Herring Prospectus

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
								Class-Equity	Class	Total								
A	Promoter & Promoter Group	2	89,40,000	-	-	89,40,000	86.53	-	-	89,40,000	86.53	-	-	-	-	-	-	89,40,000
B	Public	11	13,91,958	-	-	13,91,958	13.47	-	-	13,91,958	13.47	-	-	-	-	-	-	13,91,958
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**13**	**1,03,31,958**	**-**	**-**	**1,03,31,958**	**100.00**	**-**	**-**	**1,03,31,958**	**100.00**	**-**	-	**-**	**-**	**-**	**-**	**1,03,31,958**

10. **Details of equity shareholding of the major shareholders of our Company**

(i) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Issue Equity Share Capital
1.	Raghvendra Rai	88,50,600	85.66%
2.	Yash Jasbir Oberoi	5,14,944	4.98%
3.	Oberoi Mega Entertainment LLP	2,57,472	2.49%
4.	Shomik Lalit Ranawat	2,06,514	2.00%
5.	Sanjiv Kumar Rathi	1,02,810	1.00%
6.	Gaurav Agrawal	1,02,810	1.00%
	Total	**1,00,35,150**	**97.13%**

(ii) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Issue Equity Share Capital
1.	Raghvendra Rai	88,50,600	85.66%
2.	Yash Jasbir Oberoi	5,14,944	4.98%
3.	Oberoi Mega Entertainment LLP	2,57,472	2.49%
4.	Shomik Lalit Ranawat	2,06,514	2.00%
5.	Sanjiv Kumar Rathi	1,02,810	1.00%
6.	Gaurav Agrawal	1,02,810	1.00%
	Total	**1,00,35,150**	**97.13%**

(iii) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre-Issue Equity Share Capital	Number of Equity shares	% of the Equity Share Capital*
1.	Raghvendra Rai	9,900	0.10%	9,900	99.00%
2.	Umesh Rai	-	-	100	1.00%
	Total	**9,900**	**0.10%**	**10,000**	**100.00%**

** The share capital of our Company two years prior to the date of this Draft Red Herring Prospectus.*
^As of the date two years prior to the date of this Draft Red Herring Prospectus, Umesh Rai was a shareholder in our Company and held 100 Equity Shares, accounting for negligible percentage of the pre-Issue share capital. He has transferred 100 equity shares to our current Promoter, Sameer Rai on January 15, 2024 vide gift deed dated January 05, 2024. Accordingly, he is no longer a shareholder of our Company as on the date of this Draft Red Herring Prospectus.

(iv) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre-Issue Equity Share Capital	Number of Equity shares	% of the Equity Share Capital*
1.	Raghvendra Rai	9,900		9,900	99.00%
2.	Umesh Rai	-	-	100	1.00%
	Total	**9,900**		**10,000**	**100.00%**

** The share capital of our Company one year prior to the date of this Draft Red Herring Prospectus.*
^ As of the date two years prior to the date of this Draft Red Herring Prospectus, Umesh Rai was a shareholder in our Company and held 100 Equity Shares, accounting for negligible percentage of the pre-Issue share capital. He has transferred 100 equity shares to our current Promoter, Sameer Rai on January 15, 2024 vide gift deed dated January 05, 2024. Accordingly, he is no longer a shareholder of our Company as on the date of this Draft Red Herring Prospectus.

(v) Our Company has not made any public issue since its incorporation.

11. **Number of members/shareholders of our company**

As on the date of this Draft Red Herring Prospectus, our Company has 13 Equity Shareholders.

12. **Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company**

Except as stated below, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares.

Sr. No.	Name	Number of Equity shares	% of the pre- Issue Equity Share Capital
1.	Raghvendra Rai	88,50,600	85.66%
2.	Sameer Rai	89,400	0.87%
	Total	**89,40,000**	**86.53%**

13. Our company, the Promoters, the Directors and the Book Running Lead Manager have not entered into any buyback and/or any similar arrangements for purchase of Equity Shares of the Company from any person.

14. All Equity Shares offered pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

15. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the SEBI MB Regulations) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

16. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

17. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law.

18. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

19. No person connected with the Issue, including, but not limited to, our Company, our Promoters, the members of our Promoter Group or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

20. The BRLM and persons related to the BRLM or Syndicate Members cannot apply in the Issue under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the BRLM or AIF sponsored by entities which are associates of the BRLM, a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLM.

21. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of filing this Draft Red Herring Prospectus and the Bid / Issue Closing Date shall be reported to NSE within 24 hours of such transactions.

22. Our Promoters and Promoter Group will not participate in the Issue. Further, our Promoters and members of our Promoter Group will not receive any proceeds from the Issue.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of a fresh issue of up to 36,94,000 Equity Shares aggregating up to ₹ [●] Lakhs. The proceeds of the Issue, after deducting the Issue related expenses, are estimated to be ₹ [●] Lakhs ("**Net Proceeds**").

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Funding capital expenditure towards renovation of existing Andheri office and studio;

2. Funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("DI") and Sound Studio Set up at new branch office in Andheri;

3. Funding capital expenditure towards establishment of new branch office in Lucknow;

4. Funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company;

5. Funding our incremental working capital requirements; and

6. General corporate purposes.

(Collectively, referred to herein as the "***Objects***")

In addition, we expect to achieve the benefits of listing of Equity Shares on the NSE Emerge, enhancement of our company's visibility and brand name amongst our existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities to be funded from the Net Proceeds for which the funds are being raised by us in this Issue.

Net Proceeds

After deducting the Issue related expenses from the Gross Proceeds, we estimate the net proceeds of the Issue to be ₹ [●] Lakhs ("**Net Proceeds**"). The details of the Net Proceeds of the Issue are summarized in the table below:

(₹ in Lakhs)

Particulars	Estimated Amount
Gross Proceeds	[●]
Less: Issue related Expenses	[●]
Net Proceeds	**[●]**

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with RoC.
(2) Issue related expenses are estimated expenses and subject to change. For details, see "Issue Related Expenses" on page 103.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below:

S. No	Particulars	Estimated Amount (₹ in Lakhs)
1.	Funding capital expenditure towards renovation of existing Andheri office and studio;	51.78
2.	Funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("**DI**") and Sound Studio Set up at new branch office in Andheri;	286.49
3.	Funding capital expenditure towards establishment of new branch office in Lucknow;	75.56
4.	Funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company;	343.03
5.	Funding our incremental working capital requirements; and	704.00
6.	General corporate purposes#	[●]
	Total	**[●]**

To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

Proposed Schedule of Implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

(₹ in lakhs)

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2025	Amount to be deployed from the Net Proceeds in Fiscal 2026
1.	Funding capital expenditure towards renovation of existing Andheri office and studio;	51.78	20.71	31.07
2.	Funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("**DI**") and Sound Studio Set up at new branch office in Andheri;	286.49	171.89	114.60
3.	Funding capital expenditure towards establishment of new branch office in Lucknow;	75.56	75.56	-
4.	Funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company;	343.03	102.91	240.12
5.	Funding our incremental working capital requirements; and	704.00	211.00	493.00
6.	General Corporate Purposes#	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

The above stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution, or any other independent agency. For further details, see "*Risk Factors –Risks Relating to the Issue and the Objects of the Issue - The Objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.*" on page 47. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and growth strategies, our ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilization out of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Further, in case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of Finance

The fund requirements for the aforesaid Objects above are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI 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 Issue and existing internal accruals.

Details of the Objects

1. Funding capital expenditure towards renovation of existing Andheri office and studio

Our Andheri studio is located at 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India. We intend to utilise an estimated amount of ₹51.78 lakhs from the Net Proceeds to renovate this existing Andheri office and studio in Fiscals 2025 and 2026. Our Board by way of its resolution dated August 23, 2024 has approved the said proposal. Renovating our studio is essential for several reasons, each aimed at improving the work environment, enhancing productivity, and keeping up with industry standards. Following are our objectives for renovating our existing studio:

Technological Advancements: The VFX industry relies heavily on advanced technology. As software and hardware evolve, our studio needs to upgrade its infrastructure to support these advancements. Renovation involves setting up new workstations, installing faster networks, and enhancing storage solutions. Further, with the rise of new VFX techniques like real-time rendering, virtual production, and AI-driven processes, the existing studio layout needs modifications to accommodate these workflows.

Enhancing Productivity: The renovation will create an optimized layout that can improve workflow efficiency, reduce unnecessary movement, and facilitate better collaboration among teams. Updating furniture and workstations to be more ergonomic can help reduce employee fatigue and the risk of repetitive strain injuries, leading to higher productivity and employee satisfaction.

Creative and Collaborative Environment: A well-designed studio space can inspire creativity. We are creating spaces for brainstorming, relaxation, and informal meetings, which are essential for the creative process in VFX. Further, we are planning to construct one conference room for better communication and collaboration among teams.

Client Impressions: The studio is often visited by our clients, including filmmakers, directors, and producers. Renovating the studio can showcase our capabilities, helping to win new contracts and retain existing clients.

Employee Retention and Attraction: A well-designed, comfortable, and inspiring work environment is crucial for attracting and retaining top talent in the competitive VFX industry.

Scalability and Future Growth: As our company expands, the existing space may become inadequate. Renovation allows for the reorganization of space to accommodate more employees, additional equipment, or new departments. We also want to ensure that the studio can adapt new industry trends and scaling needs without requiring constant overhauls for our future growth.

Energy Efficiency and Sustainability: Upgrading to energy-efficient systems, such as LED lighting, improved HVAC systems, and better insulation, can reduce operating costs and create a more sustainable work environment. We are focusing on sustainability, and renovating to include eco-friendly materials and energy-saving technologies aligns with these goals, potentially attracting clients who prioritize environmental responsibility.

Competitive Advantage: In a fast-evolving industry like VFX, staying ahead of competitors is crucial. A modern, well-equipped studio can be a significant competitive advantage, helping us to attract high-profile projects and talent.

Set out below is a brief description of the total estimated cost to be incurred for the components involved in renovating the existing studio:

Costs	Particulars
Indoor Renovations	This includes gypsum ceiling & wall levelling works, painting works, fixing of floor tiles, furniture and fixtures, railing works, window panels, electrical works, creating a conference room, etc. Internal renovation entails producing a unified and immersive brand experience to align our internal environment with the brand's values, culture, and identity.

Costs	Particulars
Outdoor Renovations	This includes renovation with a modern, visually appealing façade that reflects the creative nature of the business. Further installation of prominent, well-designed signage that showcases our brand.

(a) Estimated cost of renovation existing studio

A detailed break-down of the capital expenditure for renovation is as follows:

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
1.	Hard Cost – Civil & Interior Works	Flooring works	10.33	Su-Rachit Interiors	July 11, 2024	8 months
		Wall Finish	0.68			
		Ceiling works	4.37			
		Doors / window works	9.77			
		Painting Works	2.72			
		Miscellaneous Works	2.50			
2.	Soft Cost	Chairs	5.53			
		Modular furniture	6.85			
		Loose furniture	2.95			
		Railing works	0.83			
3.	Services Cost	Electrical works	5.25			
Total			**51.78**			

**Excluding GST*

(b) Other confirmations

Our estimated costs for renovating the existing studio are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the renovation work at the same costs. If there is any increase in the costs of renovation, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed renovation of our existing studio or in the entity from whom we have obtained quotations in relation to such proposed renovation of existing studio.

As on date of this Draft Red Herring Prospectus, we are yet to deploy any funds towards the renovation of our existing studio.

2. Funding capital expenditure towards establishment of Colour Grading Digital Intermediate ("DI") and Sound Studio Set up at new branch office in Andheri

Setting up of Colour Grading Digital Intermediate ("**DI**") facility and a sound studio setup is a strategic move that can significantly enhance our post-production process and service offerings. This expansion provides a comprehensive, end-to-end solution for filmmakers, ensuring that every aspect of the project—from visual effects to final sound mixing and colour grading—is cohesively managed under one roof. By integrating these facilities, our company can attract high-profile clients seeking a seamless, all-inclusive post-production experience, elevating its standing in a competitive industry. By investing in cutting-edge technology, integrating these processes into the existing workflow, and building a team of skilled professionals, our company can deliver superior visual and auditory experiences that meet the exacting standards of today's filmmakers. This strategic expansion will not only add value to our company's portfolio but also will open up new revenue streams, solidifying our position as a comprehensive post-production powerhouse in the industry.

The first step in establishing a DI and sound setup is investing in the right infrastructure. For colour grading, high-end workstations, colour-accurate monitors, and industry-standard software like DaVinci Resolve or Baselight are essential. These tools allow colourists to handle high-resolution footage, apply complex grading techniques, and manage large volumes of data efficiently. The colour grading suite shall be equipped with calibrated projectors and professional-grade monitors that reflect precise colour and luminance levels, ensuring consistency across different platforms, whether for theatrical release or digital distribution. For the sound setup, it's crucial to build state-of-the-art sound editing, mixing, and mastering studios. These studios shall be equipped with high-quality workstations, professional-grade speakers, and acoustic treatment to ensure accurate sound reproduction. The sound suite should also include recording booths for voiceovers and Foley work, allowing the company to offer complete audio post-production services. Integrating the DI and sound setup into the existing VFX pipeline is key to creating a seamless workflow. This involves establishing a streamlined process that allows for efficient communication and collaboration between colourists, sound engineers, VFX artists, and directors. The integration ensures that visual effects, colour grading, and sound design are harmonized, resulting in a cohesive final product. For instance, changes in visual tone or mood during colour grading can be instantly communicated to the sound team, allowing them to adjust the audio elements accordingly. This level of integration not only improves efficiency but also enhances the overall quality of the project, as all aspects of post-production are aligned with the director's vision.

We plan to set up this by opening a new branch office cum studio in Andheri located at Unit No. 501 & 502, 5th Floor, Landmark Building, Above Croma Showroom, Opp. Citi Mall, New Link Road, Andheri West, Mumbai – 400 053, Maharashtra, India. Further, this property which is proposed to be taken on leave and license basis, is currently under negotiation, with the final agreement expected to be executed in September 2024. Further, rental amounts and security deposits shall be incurred through internal accruals. We intend to utilise an estimated amount of ₹286.49 lakhs from the Net Proceeds to set up this studio in Fiscals 2025 and 2026. Our Board by way of its resolution dated August 23, 2024 has approved the said proposal of establishing Colour Grading DI and Sound Studio Set up at new branch office in Andheri.

(a) Estimated cost of establishing Colour Grading DI and Sound Studio Set up

The details of the total estimated costs to be incurred for establishing the Colour Grading DI and Sound Studio Set up are as follows:

Particulars	Amount (₹ in Lakhs) *
Renovation costs	68.99
Technology Investment	217.50
Total	**286.49**

**Excluding GST*

(i) Renovation costs

A detailed breakdown of the estimated capital expenditure for the components involved in the renovation costs towards establishment of Colour Grading DI and Sound Studio Set up is as follows:

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
1.	Hard Cost – Civil & Interior Works	Flooring works	11.09	Su-Rachit Interiors	July 11, 2024	8 months
		Wall Finish	0.68			
		Ceiling works	4.62			
		Doors / window works	16.12			
		Painting Works	2.72			
		Miscellaneous Works	4.00			
2.	Soft Cost	Chairs	7.65			
		Modular furniture	9.13			
		Loose furniture	3.81			
		Railing works	0.92			
3.	Services Cost	Electrical works	8.25			
Total			**68.99**			

**Excluding GST*

(ii) Technology Investment

The following is a brief description of the technologies which we intend to purchase towards establishment of Colour Grading DI and Sound Studio Set up:

Technology	Date of the quotation	Validity of the quotation	Name of the vendor	Quantity	Cost (₹ in Lakhs) *
Base light 2 upgrade plus storage	August 14, 2024	8 months	Samson Technologies	1	165.00

Technology	Date of the quotation	Validity of the quotation	Name of the vendor	Quantity	Cost (₹ in Lakhs) *
Base light assists server storage				1	13.00
Resolve Mini Panel				1	10.00
EIZO 4k Monitor				1	4.00
Sony HDR Monitor				1	25.50
Total				**5**	**217.50**

** Excluding GST*

(b) Other confirmations

We are yet to place orders for 100.00% towards the total value of technology investment proposed to be financed from the Net Proceeds, aggregating to ₹217.50 lakhs.

Our estimated costs towards establishment of Colour Grading DI and Sound Studio Set up are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the renovation work and technology at the same costs. If there is any increase in the costs of renovation and technology investment, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed establishment of Colour Grading DI and Sound Studio Set up or in the entity from whom we have obtained quotations in relation to such proposed establishment of Colour Grading DI and Sound Studio Set up.

As on date of this Draft Red Herring Prospectus, we are yet to deploy any funds towards the establishment of Colour Grading DI and Sound Studio Set up.

(c) Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration under the shops and establishments legislation, wherever applicable and trade licenses from respective municipal authorities of Mumbai. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 179 and 237, respectively.

3. Funding capital expenditure towards establishment of new branch office in Lucknow

We intend to shift our current Lucknow branch office located at 48B, Shringar Nagar, Manak Nagar Station Road, Alambagh, Lucknow – 226 005, Uttar Pradesh, India to a new office in Lucknow. We propose to utilise an estimated amount of ₹60.44 Lakhs from the Net Proceeds towards establishment of such new branch office in Lucknow in Fiscals 2025 and 2026. Our proposed new branch office in Lucknow is taken on leave and license basis for eleven months expiring in June 2025 from one of our Promoters, Sameer Rai. The proposed new branch office in Lucknow is situated at 1578, Plot No. 16, Saheed Nagar, Pushpendra Nagar Marg, Near Rajvansh Apartment, Gaushala Road, Lucknow – 226 025, Uttar Pradesh, India. Further, rental amounts and security deposits shall be incurred through internal accruals. Our Board by way of its resolution dated August 23, 2024 has approved the said proposal of establishing new branch office in Lucknow. Setting up an office in Lucknow, involves considering various strategic, operational, and financial factors. Our decision to establish in Lucknow is influenced by the following:

Talent Pool Availability: Lucknow is home to several universities and educational institutions that offer courses in arts, media, and technology. We tap into this emerging talent pool, providing opportunities for fresh graduates and reducing recruitment costs.

Cost Efficiency: Compared to metros like Mumbai, Delhi, or Bangalore, Lucknow offers lower real estate, utility, and operational costs. This significantly reduces overheads for our company. Further, the cost of living in Lucknow is generally lower than in larger cities, making it easier to attract and retain employees with competitive salary packages.

<u>*Proximity to Emerging Markets:*</u> Lucknow is strategically located in North India, offering proximity to key markets like Delhi, Kolkata, and other cities in Uttar Pradesh and Bihar. This can facilitate business expansion and client acquisition in these regions. Further, there's an increasing demand for regional content in languages like Hindi, Bhojpuri, and others. Lucknow's location helps our company better serve production houses focusing on this content.

<u>*Government Support and Incentives:*</u> The Uttar Pradesh government has been proactive in promoting the IT and entertainment sectors, offering various incentives like tax benefits, subsidies, and infrastructure support. Further, Lucknow has been improving in terms of ease of doing business, with efforts to simplify registration processes, offer single-window clearances, and develop IT parks.

<u>*Infrastructure and Connectivity:*</u> Lucknow is rapidly developing its infrastructure, including IT parks, office spaces, and transportation networks. This creates a conducive environment for setting up business operations. The city is well-connected by road, rail, and air, facilitating easy access to other major cities. This connectivity is vital for client meetings, collaboration with other offices, and logistics.

<u>*Cultural and Creative Hub:*</u> Lucknow has a rich cultural heritage, which could inspire creative professionals in the VFX industry. The city's cultural diversity can influence the creative output and attract artists who value such environments. Further, with the rise of regional film and television production in North India, Lucknow is becoming a hub for creative industries. Establishing a VFX office here positions our company close to new opportunities.

<u>*Market Expansion and Client Proximity:*</u> Being closer to potential clients, such as regional film production companies, advertising agencies, and broadcasters in North and East India, can lead to more business opportunities and quicker response times. Setting up in Lucknow serves as a strategic move to enter new markets, particularly when our plans is to expand our services to Tier-2 and Tier-3 cities in the region.

<u>*Competitive Edge:*</u> Establishing a presence in a less saturated market like Lucknow gives our company a competitive edge, allowing us to stand out among clients seeking local partnerships. Our set up in Lucknow also helps us to establish a strong brand presence in the region, making our company a go-to provider for VFX services.

(a) Estimated cost

A detailed break-down of the capital expenditure for new branch office in Lucknow is as follows:

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
1.	Hard Cost – Civil & Interior Works	Flooring works	13.86	S.K & Associates	July 11, 2024	8 months
		Wall Finish	1.64			
		Ceiling works	15.68			
		Doors / window works	4.31			
		Painting Works	7.30			
2.	Soft Cost	Chairs	5.10			
		Modular furniture	7.50			
		Loose furniture	2.04			
		Railing works	0.92			
3.	Services Cost	Electrical works	17.21			
Total			**75.56**			

**Excluding GST*

(b) Other confirmations

Our estimated costs for establishing new branch office in Lucknow are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the contract work at the same costs. If there is any increase in the costs of construction, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of our new Lucknow Office or in the entity from whom we have obtained quotations in relation to such proposed construction.

As on date of this Draft Red Herring Prospectus, we are yet to deploy any funds towards the capital expenditure requirements for establishing new branch office in Lucknow.

(c) Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration under the shops and establishments legislation, wherever applicable and trade licenses from respective municipal authorities of Lucknow. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 179 and 237, respectively.

4. Funding capital expenditure for purchase of computers, storage systems and software to further strengthen the existing facilities/offices of the company

We intend to utilise an estimated amount of ₹343.03 lakhs from the Net Proceeds for purchase of computers, storage systems and software for our offices and studio in Fiscals 2025 and 2026. Our Board by way of its resolution dated August 23, 2024 has approved the said proposal. Computers, storage systems, and software are essential components for offices and studio due to the following reasons:

Computers: Our VFX work involves rendering complex animations, simulations, and 3D models that require powerful processors (CPUs) and graphics processing units (GPUs). These tasks are computationally intensive, and high-performance workstations or render farms are necessary to handle them efficiently. Further, artists and technicians often work on multiple tasks simultaneously, such as modeling, texturing, and compositing. high-speed, multi-core computers ensure smooth operation without lag, enhancing productivity.

Storage Systems: Our VFX projects generate vast amounts of data, including raw footage, 3D assets, textures, and rendered frames. Reliable and scalable storage systems are crucial to store and manage this data securely. The speed is essential for real-time editing and rendering. Further, we are required to ensure that data is backed up regularly to prevent loss due to hardware failure or other issues.

Software: Adobe and Nuke are compositing software allows our VFX artists to combine multiple elements (live-action footage, CGI, etc.) into a final shot. They offer a range of effects, colour correction tools, and compositing techniques. Silhouette software suite includes rotoscoping, painting, keying, and tracking and is used in feature film post-production. Mocha Pro software is used for planar tracking, rotoscoping, object removal, stabilization, and mesh tracking. Maya software is used to create assets for interactive 3D applications (including video games), animated films, TV series, and visual effects.

The combination of high-performance computers, robust storage systems, and specialized software is crucial for our efficient and successful operations. These tools enable artists to create high-quality visual effects, manage large volumes of data, and ensure smooth collaboration across different departments.

(a) Estimated cost of purchasing of computers, storage systems and software

The details of the total estimated costs to be incurred for purchasing of computers, storage systems and software are as follows:

Particulars	Location	Amount (₹ in Lakhs) *
Technology Investment	802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India	167.91
	48B, Shringar Nagar, Manak Nagar Station Road, Alambagh, Lucknow – 226 005, Uttar Pradesh, India	87.56
	Flat No. 201, Mayur Plaza, Near Plilia Hospital, Tembhode Road, Palghar – 401 404, Maharashtra, India	87.56
Total		**343.03**

**Excluding GST*
Note: The above computers and software to be installed in the current Lucknow office would be shifted to our new Lucknow office once the construction of the same is completed.

(b) Details of the purchasing computers, storage systems and software

The details and total estimated cost towards purchasing computers, storage systems and software for our office cum studio located at 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India is set forth in the table below:

Technology	**Date of the quotation**	**Validity of the quotation**	**Name of the vendor**	**Quantity**	**Cost (₹ in Lakhs) ***
Computer I7	July 11, 2024	8 months	Technology Value LLP	30	42.30
Computer I9				20	32.71
12GEBOD 1LOM 5U84 NO DRIVE V3 DD 5U 84 bay storage – Storage Software and 1LOM 5U84 NO DRIVE V3 DD 5U 84 bay storage – Storage Software				1	60.00
Maya Software				5	3.50
Foundry Nuke Software				9	27.90
Adobe Reader Software				3	1.50
Total				**68**	**167.91**

**Excluding GST*

The details and total estimated cost towards purchasing computers and software for our branch office located at 48B, Shringar Nagar, Manak Nagar Station Road, Alambagh, Lucknow – 226 005, Uttar Pradesh, India are set forth in the table below:

Technology	**Date of the quotation**	**Validity of the quotation**	**Name of the vendor**	**Quantity**	**Cost (₹ in Lakhs)**
Computer I7	July 11, 2024	8 months	Technology Value LLP	40	56.40
Computer I9				10	16.36
Foundry Nuke Software				3	9.30
Adobe Reader Software				1	0.50
Silhouette Software				5	2.50
Mocha Pro Software				5	2.50
Total				**64**	**87.56**

**Excluding GST*

Note: The above computers and software to be installed in the current Lucknow office would be shifted to our new Lucknow office once the construction of the same is completed.

The details and total estimated cost towards purchasing computers and software for our branch office located at Flat No. 201, Mayur Plaza, Near Plilia Hospital, Tembhode Road, Palghar – 401 404, Maharashtra, India are set forth in the table below:

Technology	**Date of the quotation**	**Validity of the quotation**	**Name of the vendor**	**Quantity**	**Cost (₹ in Lakhs) ***
Computer I7	July 11, 2024	8 months	Technology Value LLP	40	56.40
Computer I9				10	16.36
Foundry Nuke Software				3	9.30
Adobe Reader Software				1	0.50
Silhouette Software				5	2.50
Mocha Pro Software				5	2.50
Total				**64**	**87.56**

**Excluding GST*

(c) Other confirmations

We are yet to place orders for 100.00% towards the purchasing computers, storage systems and software proposed to be financed from the Net Proceeds, aggregating to ₹343.03 lakhs.

Our estimated costs towards purchasing computers, storage systems and software are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the computers, storage systems and software at the same costs. If there is any increase in the costs of computers, storage systems and software, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed purchasing computers, storage systems and software or in the entity from whom we have obtained quotations in relation to such proposed purchasing computers, storage systems and software.

As on date of this Draft Red Herring Prospectus, we are yet to deploy any funds towards the purchasing computers, storage systems and software.

5. Funding our incremental working capital requirements

Our business is working capital intensive. Our Company funds a majority of its working capital requirements in the ordinary course of business from internal accruals. Our Company proposes to utilise ₹211.00 lakhs and ₹493.00 lakhs from the Net Proceeds towards funding its incremental working capital requirements in Fiscals 2025 and 2026, respectively, for meeting our future business requirements. Our Board in its meeting dated August 23, 2024 took note that an aggregate amount of ₹704.00 lakhs is proposed to be utilised to fund the incremental working capital requirements of our Company.

Our working capital is influenced by several factors, given the nature of our business and our operational dynamics. Here are key factors affecting our working capital requirements:

Project Cycle Length: Our VFX projects can have long production timelines, often spanning several months to years. The longer the production cycle, the more working capital is tied up in ongoing projects without immediate revenue realization. Further, our payments are structured around project milestones. Delays in achieving these milestones can impact cash flow, requiring more working capital to sustain operations.

Client Payment Terms: Our clients, especially major Bollywood studios or production companies, negotiate extended payment terms which leads to cash flow challenges, requiring more working capital to bridge the gap between project expenses and incoming payments. Payment delays are common in the industry, exacerbating working capital needs. We might need to rely on credit or internal reserves to cover operational costs during such periods.

Resource Allocation: VFX is a labour-intensive industry, with significant costs associated with skilled personnel. Payroll is a major component of our working capital, particularly when projects require ramping up teams or extending working hours to meet deadlines, and further continuous investment in cutting-edge technology, software licenses, and hardware is necessary to stay competitive. These capital expenditures strain working capital if not planned and budgeted properly.

Revenue Recognition: How and when revenue is recognized impacts our working capital requirements. For instance, recognizing revenue at project completion versus milestone-based recognition can affect cash flow timing and working capital needs.

Seasonality and Demand Fluctuations: The VFX industry often experiences peak periods aligned with film and TV production cycles. During these times, working capital needs may increase due to higher project volumes. Further, fluctuations in demand for VFX services, influenced by the broader entertainment industry, can lead to variable working capital requirements.

(a) Basis of estimation of working capital requirements

The details of working capital of our Company as at March 31, 2024, March 31, 2023 and March 31, 2022, and the source of funding, on the basis of Restated Financial Information of our Company, as certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024 are provided in the table below:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A.	**Current Assets**			
	Trade receivables	612.91	50.65	52.12
	Cash and cash equivalents	180.03	167.08	88.26
	Short Term Loans and Advances	9.30	0.61	7.10
	Other Current Assets	169.63	79.04	48.98

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	Total Current Assets (A)	**971.87**	**297.37**	**196.46**
B.	**Current Liabilities**			
	Short-Term Borrowings	3.97	-	-
	Trade payables	176.39	81.50	67.51
	Other Current Liabilities	96.64	41.95	12.69
	Short Term Provisions	203.81	62.32	18.53
	Total Current Liabilities (B)	**480.81**	**185.77**	**98.73**
C.	**Total Working Capital requirements (C=A-B)**	**491.06**	**111.60**	**97.73**
D.	**Funding Pattern**			
	Working Capital Limits from Bank	-	-	-
	Internal Accruals and Equity	491.06	111.60	97.73
	Total			

(b) Future working capital

We propose to utilize ₹704.00 Lakhs of the Net Proceeds in Fiscal 2025 and 2026, towards our Company's working capital requirements. The balance portion of our incremental working capital requirement shall be met through internal accruals.

On the basis of our existing working capital requirements, management estimates and the projected working capital requirements, our Board of Directors, pursuant to their resolution dated August 22, 2024 has approved the projected working capital requirements for Fiscal 2025 and 2026. Our Statutory Auditors have certified the projected working capital *vide* their certificate dated August 26, 2024 and have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to the same. The proposed funding of such working capital requirements is stated below:

(₹ In Lakhs)

Sr. No.	Particulars	Fiscal 2025	Fiscal 2026
A.	**Current Assets**		
	Trade receivables	1,049.64	1,421.77
	Cash and cash equivalents	236.50	376.89
	Short Term Loans and Advances	11.47	16.71
	Other Current Assets	200.62	271.87
	Total Current Assets (A)	**1,498.24**	**2,087.24**
B.	**Current Liabilities**		
	Trade payables	118.47	167.51
	Other Current Liabilities	98.91	133.35
	Short Term Provisions	292.17	353.01
	Total Current Liabilities (B)	**509.55**	**653.88**
C.	**Total Working Capital requirements (C=A-B)**	**988.68**	**1,433.36**
	Funding Pattern		
D.	Borrowings from banks, financial institution and non-banking financial companies (D)	-	-
E.	Internal Accruals and Equity (E)	777.68	940.36
F.	**Net Working Capital requirements (F=C-D-E)**	**211.00**	**493.00**
G.	**Amount proposed to be utilized from Net Proceeds**	**211.00**	**493.00**

(c) Assumptions for working capital requirements

Particulars	Actual			Projected	
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**March 31, 2025**	**March 31, 2026**
A. Current Assets					
- Trade Receivables days	49	23	111	119	120
B. Current Liabilities					
- Trade Payables days	137	74	56	36	35

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

(d) Justifications for holding period levels

S. No.	Particulars
Current Assets	
Trade Receivables	Our Company is in the business of providing VFX services to film and content producers, including major Bollywood Studios. Considering huge demand of these services, our company is aiming substantial increase in the volumes. For further details, see "*Our Business – Our Strategies*" on page 163. Further, trade receivables are often higher in the VFX industry because VFX companies typically operate on a project basis, with payments usually tied to the completion of specific milestones or the final delivery of the work. To accommodate our clients, who are major Bollywood studios and other content and film producers, we require to frequently agree to extended payment terms, ranging from 110 to 120 days. Additionally, payments in our industry are often contingent on specific milestones, such as the release of a project or film. If the release date is delayed due to client-side issues or extended revision cycles, the associated payments are also postponed, which contributes to the accumulation of higher trade receivables, and hence based on these credit terms and our past experience, our trade receivables days are and shall always remain between 110-120 days, given the nature of the industry that we operate.
Current Liabilities	
Trade Payables	Our trade payables comprise of services availed by our company from contracted VFX artists, sub-contractors to whom we outsource certain projects, IT related providers, etc. Trade payables in the VFX industry are often lower because we subcontract parts of our projects or sometimes entire project rather than handling all tasks in-house. To maintain good relationships and ensure timely project completion, we need to make advance payments to these subcontractors. Additionally, we prioritize prompt payment to our contracted VFX artists and IT related providers to sustain morale and ensure smooth project execution which are due on the day of completion of the deployed month. These practices collectively contribute to lower trade payables which shall remain between 30-40 days, given the nature of the industry that we operate.

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

(e) Current deployment of Long-Term Funds

In our business operations, the total long-term funds infusion, comprising of equity and non-current liabilities (excluding long term provision made for gratuity), far exceed the total non-current assets (excluding deferred tax assets) deployment in the business.

(₹ In Lakhs)

Particulars	As at March 31, 2024
Non - Current Assets	
Fixed Assets (including Intangible Assets) (A)	217.02
Other Non-Current Assets (B)	
- Non – Current Investments	512.05
Total Non - Current Assets (A + B)	**729.07**
Equity & Non – Current Liabilities	
Equity Share Capital (C)	688.80
Reserves & Surplus (D)	
- Securities Premium	-

Particulars	As at March 31, 2024
- Surplus Account	514.82
Non – Current Liabilities (E)	
- Long-term borrowings (HDFC Car Loan)	15.07
Total Non-Current Liabilities and Total Equity Infusion (C+D+E)	**1,218.69**
Excess of (Equity + Non-Current Liabilities) over Non-Current Assets [(C+D+E) – (A+B)]	**489.62**

(f) Utilization of available long-term funds

As on August 15, 2024, the available long-term funds have been used for following purposes:

- Existing Capital Expenditure requirements of ₹176.00 lakhs towards purchase of upgraded technology already made during the month of August, 2024 which is our average annual capital expenditure.

- Balance of ₹344.39 lakhs available in Surplus Account has been capitalised towards issuance of 34,43,986 bonus shares on July 01, 2024. The bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on June 19, 2024 and June 21, 2024, respectively.

Further, our Company intends to strategically reserve the available balance long term funds to derisk our growth plans, especially in the face of unforeseen circumstances, and hence is not utilizing the available funds towards funding the working capital requirements.

(g) Need for working capital

The working capital requirements of the Company are determined by the number of receivable and payable days along with other current liabilities days.

Ratios	No. of days for the Fiscal ended				
	March 31, 2022 (Actual)	March 31, 2023 (Actual)	March 31, 2024 (Actual)	March 31, 2025 (Projected)	March 31, 2026 (Projected)
Trade Receivables days (A)	49	23	111	119	120
Trade Payables days (B)	137	74	56	36	35
Excess of Receivables days over Payable days (A – B)	**(88)**	**(51)**	**55**	**83**	**85**

On analysing the abovementioned data, we note that, an excess of receivables days over payable days strains working capital requirement. More capital is tied up in trade receivables for longer periods, reducing the funds available for our other business needs such as upfront payments to be made to manpower, infrastructure and technologies. (-) represented excess of receivables days over payable days indicate that our company had lesser number of trade receivables days and a greater number of trade payables days maintaining a healthier level of working capital whereas (+) represented excess of receivables days over payable days indicate that our company had greater number of trade receivables days and a lesser number of trade payables days straining our working capital requirements.

Our receivable days are calibrated on revenue from operations whereas payables days are calibrated on cost of services. We observe that the gap between receivables days and payable days has come down from (-)88 days in Fiscal 2022 to (-)51 days in Fiscal 2023, to (+)55 days in Fiscal 2024. The trend indicates a consistent increase in working capital requirements over the last three-year period. With this continuous and noticeable change, this gap will further come down and is projected to be (+)83 days in Fiscal 2025 and (+)85 days in Fiscal 2026, which translates into a working capital requirement of in Fiscal 2025 and 2026.

The nature of our business necessitates the current working capital need for the following reasons:

(i) Our services are billed as part of the production budget of original content. VFX services increasingly reflects a significant and growing component of content production costs. Our company prices and bills its work based on the expected duration and complexity of each project. We recognize revenue under the percentage of completion method based on the services performed as a percentage of total services our company expects to perform over the life of the contract. Additionally, in certain circumstances for smaller contracts, film and content producers have asked us to defer part of our fees for services provided until the release of the film. See also "*Risk Factors—Other Risks relating to our Financial Position—From time-to-time studios have sought to defer part of our fees for services until after a film is released.*" on page 43. The invoices become due and payable only after accounting for the agreed credit period from the date of the invoice, as per the terms of the respective work order, which is currently within 110 days.

(ii) Secondly, we are required to incur certain upfront costs to be able to provide the VFX services to our customers from the beginning of the contracted period which includes costs towards manpower, infrastructure and technologies required from the first day of commencement of such contract. The salary and employee-related statutory payments and professional fees to contracted VFX artists which are due on the day of completion of the deployed month, are also required to be paid.

(iii) Thirdly, we started subcontracting parts of our projects or sometimes the entire project rather than handling all tasks in-house from Fiscal 2024 onwards. We outsource certain projects to further sub-contractors which are those VFX companies who have better capabilities in terms of manpower, infrastructure and technologies to execute those projects that we bid for which we may not have such expertise or sometimes because of time constrain. Therefore, we are required to make advance payments to these subcontractors to be able to provide the VFX services to our customers and to maintain good relationships and ensure timely project completion.

Therefore, excess of receivables days versus payable days due to the above factors leads to our current working capital requirement.

(h) Rationale for incremental working capital requirements

The nature of our business necessitates the incremental working capital need for the following reasons:

i) As we plan to establish Colour Grading DI and Sound Studio Set up, we can offer a comprehensive suite of post-production services which will allow us to handle colour grading, conforming, and final mastering in-house, attracting clients seeking end-to-end post-production solutions. As a result, we can capture a larger share of the project budget that would otherwise go to external DI facilities. The success of the DI and sound setup depends heavily on the talent behind it. Hiring skilled colourists and sound engineers who have both technical expertise and a deep understanding of cinematic storytelling is crucial. These professionals must be capable of working closely with directors, VFX supervisors, and other creatives to achieve the desired look, feel, and sound of the project. Continuous training and professional development should be prioritized to keep the team updated on the latest techniques and technologies in both colour grading and sound design. This commitment to excellence not only improves the quality of work but also positions our company as an innovator in the industry. For the same, we plan to hire around 22 highly qualified professionals with salaries ranging from ₹1.00 lakh to ₹10.00 lakhs per month in Fiscal 2025 and 2026 for providing these services to our customers. These upfront costs to be able to provide these services to our customers towards manpower forms part of our incremental working capital requirements.

ii) Further, we are also planning expansion through various technology investments and upgradation as mentioned under this chapter earlier. These internal capabilities along with setting up of Colour Grading DI and Sound Studio will lead to providing full bouquet of VFX services right from the pre-production stage to post production stage with more competitive pricing, making our company more attractive to potential clients. Further, the Indian VFX industry has emerged as a major player on the global stage. With its pool of talented artists, competitive pricing, and growing technological expertise, India is attracting a significant chunk of VFX work for Hollywood blockbusters and international productions. This trend is driven by several factors. Firstly, Indian studios offer high-quality VFX services at a more affordable cost compared to traditional VFX hubs like Los Angeles. Secondly, the Indian government's initiatives to promote the media and entertainment sector have created a supportive environment for VFX companies to thrive. This includes initiatives like establishing centers of excellence for animation and VFX education and offering tax breaks for VFX work done in India. Finally, a large pool of skilled artists, coupled with a strong educational system focused on VFX training, ensures a steady stream of talent for the industry. Indian studios are collaborating with Hollywood giants on major blockbusters, contributing significantly to the visual spectacle of modern cinema. The success of Indian VFX studios is evident in their contributions to major Hollywood blockbusters. Some examples of Indian VFX studios contributions are Avengers: Endgame, The Jungle Book and Life of Pi. This positions India as a major force in shaping the future of visual effects on a global scale. (*Source: D&B Report*). Thus, these factors will create opportunities for us to tap into new geographical markets and also to increase our revenue share in the Indian markets which will further lead to increase in our revenue year on year and increase in our trade receivables year on year. The same shall lead to increase in trade receivable days as well.

Therefore, all the above reasons lead to incremental working capital requirement, and we are also required to maintain adequate liquidity in the system to ensure the business continuity and sustainability.

For risks in relation to use of the Net Proceeds for funding incremental working capital gap of our Company, see "*Risk Factors – Other Risks relating to our Financial Position - Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations*" on page 42.

6. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, but are not restricted to, the following:

(i) meeting ongoing general corporate expenses, exigencies and contingencies; and
(ii) costs / expenses towards meeting certain business requirements.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue Related Expenses

All the expenses relating to the Issue shall be paid by our Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchange pursuant to the Issue. Further, our Company will be liable for the Issue related expenses to the extent due and accrued, irrespective of whether the Issue is unsuccessful or abandoned or withdrawn or not completed for any other reason whatsoever.

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs. The expenses of the Issue include, amongst others, listing fees, selling commission, fees payable to the Book Running Lead Manager, fees payable to legal counsels, fees payable to the Registrar to the Issue, Bankers to the Issue, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

As on [●], we have already deployed ₹ [●] Lakhs through internal accruals towards Issue Expenses, as certified by our Statutory Auditors vide certificate dated [●].

The estimated Issue expenses are as follows:

Activity	**Estimated expenses (₹ in Lakhs) ***	**As a % of total estimated Issue related expenses**	**As a % of Issue Size**
Book Running Lead Manager fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others, if any (market making, depositories, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

**The Issue expenses will be incorporated in the Prospectus on finalization of the Issue Price.*

Structure for commission and brokerage payment to the SCSBs, Syndicate Members, Sub-syndicate members, Registered Brokers, RTAs and CDPs:

(1) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIBs**	*[●] % of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●] % of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE. No additional processing fees shall be payable to the SCSBs on the Bids directly procured by them.

(2) Selling commission payable to the Syndicate Members, Sub-syndicate members, Registered brokers, RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) on the portion for RIBs and Non-Institutional Bidders which are directly procured by them, would be as follows:

*Portion for RIBs**	*[●] % of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●] % of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

The selling commission payable to Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

(3) Processing / uploading fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are procured by the members of the Syndicate, Sub-Syndicate, Registered Brokers, RTAs and CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIBs**	*[●] % of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●] % of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

(4) The processing fees shall be released only after the SCSBs provide a written confirmation to the Book Running Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Bridge Financing

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

Monitoring of utilization of funds

As this is an Issue for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors, the uses and Bids of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Interim Use of Funds

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchange by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

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

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects 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 (the "**Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds of the Issue will be paid by our company to our Promoters, members of our Promoter Group, our Directors, Key Managerial Personnel or Senior Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement / agreements with any of our Directors, Key Managerial Personnel or Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Issue except as set out above.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Financial Information" on pages 158, 35, 210, 214 and 211, respectively, to get a more informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue price are:

- Integrated and highly scalable service delivery capabilities;
- Reputation as a trusted provider of VFX Services with established relationships throughout the Entertainment Industry;
- Attractive business model, with significant revenue visibility and compelling opportunities for long-term margin expansion and cash flow generation; and
- Experienced management team with managerial, creative and technical expertise and industry relationships.

For further details, see "*Our Business – Our Strengths*" on page 161.

Quantitative Factors

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS")

As derived from the Restated Financial Information:

Fiscal Year / period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weights
March 31, 2024	5.18	5.18	3
March 31, 2023	1.56	1.56	2
March 31, 2022	0.49	0.49	1
Weighted Average	**3.19**	**3.19**	

Notes:

(1) Basic EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

(2) Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year, if any.

(3) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 notified under the Companies (Accounting Standards) Rules, 2021 (as amended). The face value of each Equity Share is ₹10/-.

(4) Weighted average number of equity shares is the number of Equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.

(5) Basic and diluted earnings per equity share for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 presented above have been calculated after considering the bonus issue subsequent to March 31, 2024.

2. Price to Earnings ("P / E") ratio in relation to the Issue Price of ₹ [●] per Equity Share

Particulars	P / E (number of times) *
Based on the Basic EPS, as restated for Fiscal 2024	[●]
Based on the Diluted EPS, as restated for Fiscal 2024	[●]

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

3. Industry Peer Group P / E ratio

Particulars	P/E Ratio
Highest	32.47
Lowest	14.45
Industry Composite	23.46

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.

(2) The industry P / E ratio mentioned above is for the financial year ended March 31, 2024.

(3) All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2024, as available on the website of the NSE at www.nseindia.com.

4. Return on Net worth ("RoNW")

As derived from the Restated Financial Information:

Fiscal Year / period ended	RoNW (%)	Weights
March 31, 2024	44.42%	3
March 31, 2023	55.90%	2
March 31, 2022	40.09%	1
Weighted Average	**47.53%**	

Notes:
1. Return on net worth is calculated as restated profit/(loss) for the year divided by net worth.
2. For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation each as applicable for the Company on restated basis.

5. Net Asset Value per Equity Share ("NAV")

As derived from the Restated Financial Information:

As at	NAV per Equity Share (₹)
March 31, 2024	11.65
After the completion of the Issue:	
(i) At Floor Price	[●]
(ii) At Cap Price	[●]
Issue Price [(1)]	[●]

Notes: Net asset value per equity share means total equity divided by weighted average number of equity shares.
(1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

6. Comparison of accounting ratios with listed industry peers

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	P / E Ratio (times)	RoNW (%)	NAV (₹)
Identical Brains Studios Limited	[●]	10.00	5.18	[●]	44.42%	11.65
Peer Group						
Prime Focus Limited	151.94	1.00	(0.01)	-	(0.02) %	52.32
Digikore Studios Limited	470.00	10.00	19.04	24.68	22.47%	67.05
Phantom Digital Effects Limited	388.70	10.00	26.90	14.45	16.60%	106.59
Basilic Fly Studio Limited	574.35	10.00	17.69	32.47	29.84%	52.20

Source: www.nseindia.com
Notes:
(1) The figures for the listed industry peers are based on the Audited Standalone Financial Statements filed for the financial year ended March 31, 2024.
(2) P / E Ratio has been computed based on their respective closing market price on August 27, 2024 as divided by the Basic EPS as on March 31, 2024.
(3) CMP is the closing prices or the last traded price of respective scripts as on August 27, 2024.

7. Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals segments in comparison to our peers. The Investors can refer to the below-mentioned key financial and operational indicators, being a combination of financial and operational key financial and operational indicators, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The following table sets forth certain key financial and operational indicators for our Company as at/for the periods indicated:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations (₹ in Lakhs) [(1)]	2,008.80	804.29	389.29
EBITDA (₹ in Lakhs) [(2)]	761.71	231.77	70.33

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
EBITDA Margin (%) (3)	37.92%	28.82%	18.07%
PAT (₹ in Lakhs) (4)	534.65	161.28	51.01
PAT Margin (%) (5)	26.62%	20.05%	13.10%
Return on equity (%) (6)	71.66%	77.59%	50.14%
Return on capital employed (%) (7)	103.52%	108.80%	81.40%
Debt-Equity Ratio (times) (8)	0.02	-	-
Trade Receivables Turnover Ratio (times) (9)	6.05	15.65	7.54
Working Capital Turnover Ratio (times) (10)	6.67	7.68	8.00
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) (11)	220.76	43.46	4.22

Notes:
(1) *Revenue from operations is calculated as revenue from VFX Services.*
(2) *EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.*
(3) *EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.*
(4) *PAT represents total profit after tax for the year/period.*
(5) *PAT margin is calculated as a percentage of PAT divided by revenue from operations.*
(6) *Return on Equity (ROE%) is calculated as a percentage of PAT divided by Average Total Equity at the end of the year /period, whereas Total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.*
(7) *Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by Average Capital Employed at the end of the year /period, whereas Average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. Capital Employed is calculated as Total Equity minus DTA plus DTL, Long Term Borrowings and Short-Term Borrowings.*
(8) *Debt to Equity ratio is calculated as Total Borrowings divided by Total Equity.*
(9) *Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.*
(10) *Working capital turnover ratio is calculated as revenue from operations divided by average working capital. Average working capital is calculated as average of opening working capital and closing working capital.*
(11) *Investment in Property, Plant, Equipment and Equipment is calculated as investment in Computers & Peripherals, Furniture and Fixtures, Software, Office Equipment and Vehicles in a particular period/ year.*

b) Key operational indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
No. of clients	44	36	33
No. of projects completed	44	53	50
Average duration to complete a project (days)	35.27	18.74	17.84
No. of permanent employees	19	18	18
No. of contractual employees	124	107	42

Note:
1. *Average duration to complete a project (days) is calculated as total duration taken to complete all the projects divided by no. of projects completed*

The key financial and operational indicators, as disclosed in this section, are the only relevant and material key financial and operational metrics pertaining to our Company which may have a bearing on the Issue Price. The key financial and operational indicators set forth above, have been approved by the Audit Committee pursuant to its resolution dated August 23, 2024 and has been verified and certified by, our Statutory & Peer Reviewed Auditors by their certificate dated August 26, 2024. This certificate has been disclosed as part of the "*Material Contracts and Documents for Inspection*" on page 294. Further, the Audit Committee has on August 23, 2024 confirmed that other than the key financial and operational indicators set out above, the Company has not disclosed any other key performance indicators during the three years preceding this Draft Red Herring Prospectus with its investors.

All the key performance indicators have been defined, consistently and precisely in "*Definitions and Abbreviations – Business, Technical and Industry - Related Terms*" on page 12. For details of our other operating indicators, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 158 and 214, respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, certified by our Independent Chartered Accountant, at least once in a year (or for any lesser period as determined by the Board), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations. In case of any change in these KPIs, during the aforementioned period, our Company shall provide an explanation for the same.

c) Explanations for key financial and operational indicators

Indicators	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from VFX services is used by the management to track revenue generated from our business and overall revenue growth over multiple periods
EBITDA (₹ in Lakhs)	EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable

Indicators	Explanations
	in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods
EBITDA Margin (%)	EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement
PAT (₹ in Lakhs)	Profit after tax helps us in identifying information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business
Return on Equity (%)	Return on equity provides how efficiently our Company generates returns from equity financing
Return on Capital Employed (%)	Return on capital employed provides how efficiently our Company generates operating returns from total capital employed in the business
Debt-Equity Ratio (times)	Debt-Equity Ratio compares our company's total liabilities with our shareholder equity and is used to assess the extent of our reliance on debt
Trade Receivables Turnover Ratio (times)	Trade Receivables Turnover Ratio is used to quantify how efficiently our company is in collecting receivables from our clients. It helps in evaluating the number of times that receivables are converted to cash during a certain time period
Working Capital Turnover Ratio (times)	This ratio helps our company to understand our efficiency in using our working capital to generate sales. It measures the relationship between the funds used to finance our company's operations and the revenues our company generates to continue operations and turn a profit
Investment in Property, Plant, Equipment and Software (₹ in Lakhs)	Investment in Property, Plant, Equipment and Software assists our company to track capital expenditures incurred for to set up our VFX studios and offices over multiple periods
No. of clients	It represents the count of customers currently engaged with our company's VFX services in a specific period
No. of projects completed	The number of projects completed by our company which typically refers to the total count of productions or assignments that our company has successfully worked on and delivered. It shows the level of experience and expertise in handling different types of visual effects. It reflects our capacity to handle multiple projects simultaneously and demonstrating our scalability and efficiency in managing resources and timelines. This contributes to our reputation for reliability, craftsmanship, and creative innovation within the VFX industry. Each completed project represents a customer served and potentially satisfied with the results. Repeat business and referrals often stem from a history of successfully completed projects
Average duration to complete a project (days)	It means the average timeline from the start to the completion of a VFX project. This encompasses all stages such as pre-production, production, and post-production. The total timeline depends upon project scope, available resources, customer requirements, technological complexity, and revisions
No. of permanent employees	Some VFX professionals work as full-time employees for our studio that specialize in visual effects. Permanent employees include roles such as VFX artists, Software Developers/ Engineers, Production Coordinators/Managers, supervisors and administrative staff
No. of contractual employees	Contractual VFX artists are hired based on project requirements, aiming to find the optimal balance of cost-efficiency and high-quality results within tight deadlines. They typically work on a project basis with contracts aligned to specific films, TV shows, commercials, or other productions

d) Comparison of financial KPIs of our company and our listed peers

As on March 31, 2024:

(₹ in Lakhs, otherwise mentioned)

Indicators	Identical Brains Studios Limited	Prime Focus Limited	Digikore Studios Limited	Phantom Digital Effects Limited	Basilic Fly Studio Limited
Revenue from Operations (₹ in Lakhs) (1)	2,008.80	3,344.75	4,496.15	8,933.05	10,030.05
EBITDA (₹ in Lakhs) (2)	761.71	300.45	1,291.71	3,722.42	4,879.90
EBITDA Margin (%) (3)	37.92%	8.98%	28.73%	41.67%	48.65%
PAT (₹ in Lakhs) (4)	534.65	(34.15)	954.21	2,411.49	3,619.65

Indicators	Identical Brains Studios Limited	Prime Focus Limited	Digikore Studios Limited	Phantom Digital Effects Limited	Basilic Fly Studio Limited
PAT Margin (%) [(5)]	26.62%	(1.02) %	21.22%	27.00%	36.09%
Return on equity (%) [(6)]	71.66%	(0.02) %	39.45%	25.53%	47.77%
Return on capital employed (%) [(7)]	103.52%	(14.40) %	37.22%	30.91%	60.77%
Debt-Equity Ratio (times) [(8)]	0.02	0.22	0.35	0.23	0.20
Trade Receivables Turnover Ratio (times) [(9)]	6.05	10.30	2.71	2.68	2.42
Working Capital Turnover Ratio (times) [(10)]	6.67	0.09	3.13	1.16	1.50
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) [(11)]	220.76	11.95	824.71	1,225.06	55.13

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Indicators	Identical Brains Studios Limited	Prime Focus Limited	Digikore Studios Limited	Phantom Digital Effects Limited	Basilic Fly Studio Limited
Revenue from Operations (₹ in Lakhs) [(1)]	804.29	4,074.00	3,257.38	5,789.43	7,022.73
EBITDA (₹ in Lakhs) [(2)]	231.77	204.00	636.21	2,263.45	3,638.82
EBITDA Margin (%) [(3)]	28.82%	5.01%	19.53%	39.10%	51.81%
PAT (₹ in Lakhs) [(4)]	161.28	(2,447.00)	403.59	1,619.56	2,644.06
PAT Margin (%) [(5)]	20.05%	(60.06) %	12.39%	27.97%	37.65%
Return on equity (%) [(6)]	77.59%	(1.55) %	113.04%	65.48%	155.63%
Return on capital employed (%) [(7)]	108.80%	(1.74) %	67.62%	72.51%	171.76%
Debt-Equity Ratio (times) [(8)]	-	0.20	2.42	0.43	0.62
Trade Receivables Turnover Ratio (times) [(9)]	15.65	21.50	9.09	5.90	7.01
Working Capital Turnover Ratio (times) [(10)]	7.68	0.07	6.70	3.03	7.80
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) [(11)]	43.46	55.00	309.95	1,085.96	179.94

As on March 31, 2022:

(₹ in Lakhs, otherwise mentioned)

Indicators	Identical Brains Studios Limited	Prime Focus Limited	Digikore Studios Limited	Phantom Digital Effects Limited	Basilic Fly Studio Limited
Revenue from Operations (₹ in Lakhs) [(1)]	389.29	12,092.00	2,501.30	2,233.27	2,387.68
EBITDA (₹ in Lakhs) [(2)]	70.33	6,301.00	235.01	745.84	146.70
EBITDA Margin (%) [(3)]	18.07%	52.11%	9.40%	33.40%	6.14%
PAT (₹ in Lakhs) [(4)]	51.01	29,070.00	46.67	490.21	98.70
PAT Margin (%) [(5)]	13.10%	240.41%	1.87%	21.95%	4.13%
Return on equity (%) [(6)]	50.14%	20.23%	35.38%	174.81%	24.45%
Return on capital employed (%) [(7)]	81.40%	15.34%	35.03%	124.74%	9.27%
Debt-Equity Ratio (times) [(8)]	-	0.27	4.34	1.84	2.35
Trade Receivables Turnover Ratio (times) [(9)]	7.54	6.58	12.60	11.19	14.36
Working Capital Turnover Ratio (times) [(10)]	8.00	0.21	91.36	3.60	8.68
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) [(11)]	4.22	127.00	229.43	29.71	54.45

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Financial Statements filed for the financial year ended March 31, 2024.

Notes:

(1) Revenue from operations is calculated as revenue from VFX Services.
(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.
(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.
(4) PAT represents total profit after tax for the year/period.
(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.
(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by Average Total Equity at the end of the year /period, whereas Total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.
(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by Average Capital Employed at the end of the year /period, whereas Average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. Capital Employed is calculated as Total Equity minus DTA plus DTL, Long Term Borrowings and Short-Term Borrowings.
(8) Debt to Equity ratio is calculated as Total Borrowings divided by Total Equity.
(9) Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.
(10) Working capital turnover ratio is calculated as revenue from operations divided by average working capital. Average working capital is calculated as average of opening working capital and closing working capital.
(11) Investment in Property, Plant, Equipment and Equipment is calculated as investment in Computers & Peripherals, Furniture and Fixtures, Software, Office Equipment and Vehicles in a particular period/ year.

e) Comparison of operational KPIs of our company and our listed peers

Details of operational KPIs of our listed peers are not available and hence comparison of operational KPIs of our company with our listed peers is not disclosed in the Draft Red Herring Prospectus.

8. Justification for Basis for Issue price

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares

Except as mentioned below, there has been no issuance of Equity Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares), during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares allotted (adjusted for bonus)	Face Value (₹)	Issue Price (adjusted for bonus) (₹)	Nature of Consideration	Nature of Allotment	Total Consideration (₹ in lakhs)
December 15, 2023	13,91,958 (1) (2) (3)	10/-	28.52/-	Cash	Allotment of Equity Shares to persons other than Promoters and Promoter Group	397.04
Weighted average cost of acquisition (WACA) Primary issuances (in ₹ per Equity Share) *						28.52/-

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

(1) Our Borad of Directors pursuant to a resolution dated October 25, 2023 and shareholders pursuant to a special resolution dated October 31, 2023, have approved the issuance of 1,557 equity shares at an issue price of ₹25,500/- to persons other than Promoters and Promoter Group by way of preferential allotment.
(2) Our Board of Directors pursuant to a resolution dated December 15, 2023 and Shareholders pursuant to an ordinary resolution dated December 21, 2023, have approved the issuance of 68,76,415 bonus Equity Shares in the ratio of five hundred ninety-five new Equity Shares for every one existing fully paid-up Equity Share.
(3) Our Board of Directors pursuant to a resolution dated June 19, 2024 and Shareholders pursuant to an ordinary resolution dated June 21, 2024, have approved the issuance of 34,43,986 bonus Equity Shares in the ratio of one new Equity Share for every two existing fully paid-up Equity Share.

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

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

c) Since there is an eligible transaction of our Company reported in (a) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations and no transaction to report under (b) therefore, the price per Equity Share of our Company based on the last five primary and secondary transactions in equity Shares (secondary transactions where the promoter, promoter group, selling shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus, irrespective of the size of transactions, has not been computed.

d) Weighted average cost of acquisition, Issue Price

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Issue Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary issuances	28.52/-	[●] times	[●] times
Weighted average cost of acquisition for secondary transactions	N.A.	N.A.	N.A.

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

e) Explanation for Issue Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 8 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2024, 2023 and 2022

[●]*

**To be included on finalisation of Price band.*

f) Explanation for Issue Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 8 (d) above) in view of the external factors which may have influenced the pricing of the Issue

[●]*

**To be included on finalisation of Price band.*

The Issue Price of ₹ [●] has been determined by our company in consultation with the Book Running Lead Manager and justified by our company in consultation with the Book Running Lead Manager on the basis of the above information. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Restated Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Other Financial Information*" on pages 158, 35, 210, 214 and 211, respectively, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
Identical Brains Studios Limited
802,803 and 804, Crescent Royale,
Veera Desai Road, off. New Link Road,
Mumbai-400053

Dear Sir/Madam,

Sub: Statement of Special Tax Benefits available to Identical Brains Studios Limited (formerly known as Identical Brains Studios Private Limited) and its shareholders under the Indian tax laws prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018

1. We hereby confirm that the annexures enclosed as Annexure 1 and 2, prepared by Identical Brains Studios Limited (formerly known as Identical Brains Studios Private Limited) (the "**Company**"), provides the special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**"), presently in force in India (together, the "**Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated in the annexures is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer of equity shares of the Company ("**Issue**").

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

   i) the Company or its shareholders will continue to obtain these special tax benefits in future;
   ii) the conditions prescribed for availing the special tax have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This statement is issued solely in connection with the Issue and is not to be used, referred to or distributed for any other purpose.

For S C Mehra & Associates LLP
Chartered Accountants
F.R.No.:106156W

Sd/-
Arun N Maniyar
Partner
M. No.: 111968
UDIN: 24111968BKBNUM5918
Place: Mumbai
Date: August 21, 2024

ANNEXURE 1

THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 (the "**Act**") as amended by Finance Act, 2024 i.e. applicable for the Financial Year 2024-25 relevant to Assessment Year 2025-26.

1. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company while computing its total taxable income, after fulfilling conditions, as per the applicable provisions of the Act:

1.1. Lower Corporate tax rate under Section 115BAA of the Act

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

2. DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

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

Notes:

1. The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law. The views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

6. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under GST Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Notes:

1. All the above benefits are as per the current Tax Laws and will be available only to the sole/ first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant Indirect Tax Law benefits and does not cover any Direct Tax Law benefits or benefit under any other law.

3. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For S C Mehra & Associates LLP
Chartered Accountants
F.R.No.:106156W

Sd/-
Arun N Maniyar
Partner
M. No.: 111968
UDIN: 24111968BKBNUM5918
Place: Mumbai
Date: August 21, 2024

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from a report titled "Report on VFX Industry in India" dated August 20, 2024, which is exclusively prepared for the purposes of the Issue and issued by D&B and is commissioned and paid for by our Company ("**D&B Report**"). D&B was appointed on August 17, 2024. We commissioned and paid for the D&B Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Issue, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the D&B Report. The D&B Report is available on the website of our Company at https://identicalbrains.com/IPO_1.php. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the D&B Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in this Draft Red Herring Prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 24. In this section, please note that numbers or multiples denoting (a) a 'lakh' is equal to 1,00,000 and 10 lakhs is equal to 1 million or one million; and (b) a 'crore' is equal to 1,00,00,000 and 100 lakhs or one crore is equal to 10 million.*

India Macroeconomic Analysis

GDP Growth Scenario

India's economy showed resilience with GDP growing at an estimated 7.8% in CY 2023. The GDP growth in CY 2023 represents a return to pre-pandemic-era growth path. Even amid geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest-growing economies in the world.

Country	Real GDP Growth (CY 2023)	Projected GDP Growth (CY 2024)
India	7.8%	6.8%
China	5.2%	4.6%
Russia	3.6%	3.2%
Brazil	2.9%	2.2%
United States	2.5%	2.7%
Japan	1.9%	0.9%
Canada	1.1%	1.2%
Italy	0.9%	0.7%
France[1]	0.7%	0.7%
South Africa	0.6%	0.9%
United Kingdom	0.1%	0.5%
Germany	-0.3%	0.2%

Source: The International Monetary Fund
Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)
Countries have been arranged in descending order of GDP growth in 2023).

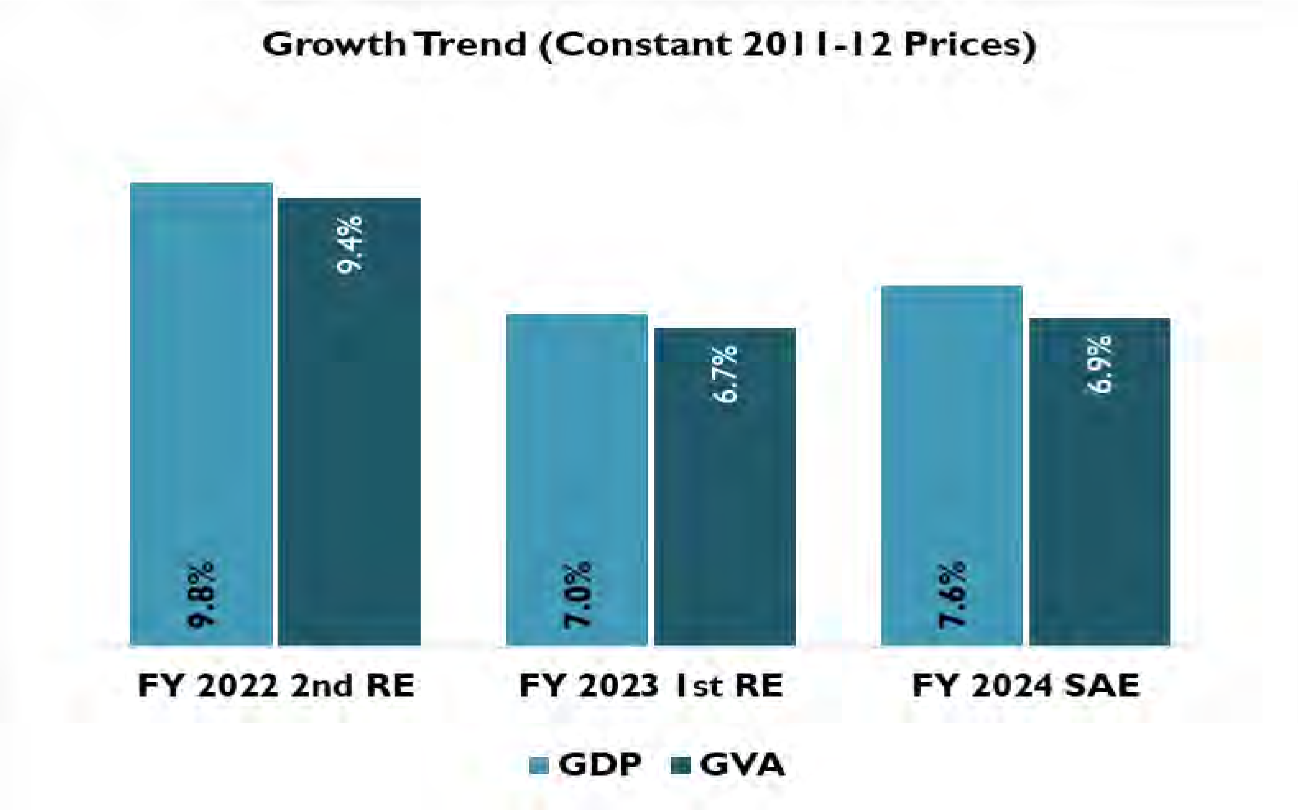
There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of INR 10 trillion in the Union Budget 2023-2024. The announcement also included 30% increase in financial assistance to states at INR 1.3 trillion for capex. The improvement was accentuated further as the Interim Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at INR 11.11

[1] European Commission.

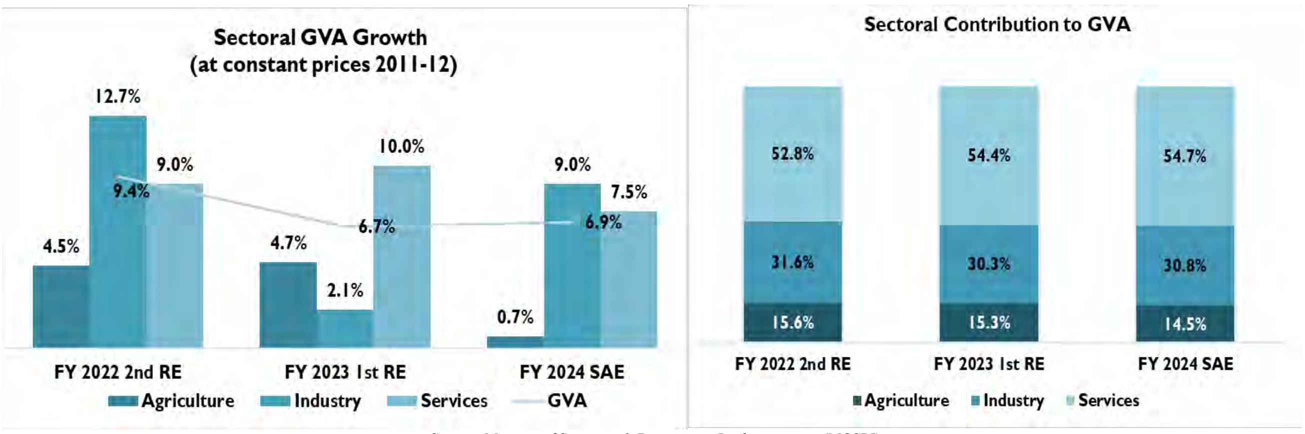
trillion, constituting 3.4% of the GDP. This has provided the much-needed confidence to private sector, and in turn attracted private investment.
On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to the micro, small, and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the fiscal year 2024[2] grew by 14% to INR 10.31 trillion compared to INR 9.02 trillion as on 24 March 2023. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

As per the second advance estimates 2023-24, India's GDP in FY 2024 grew by 7.6% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

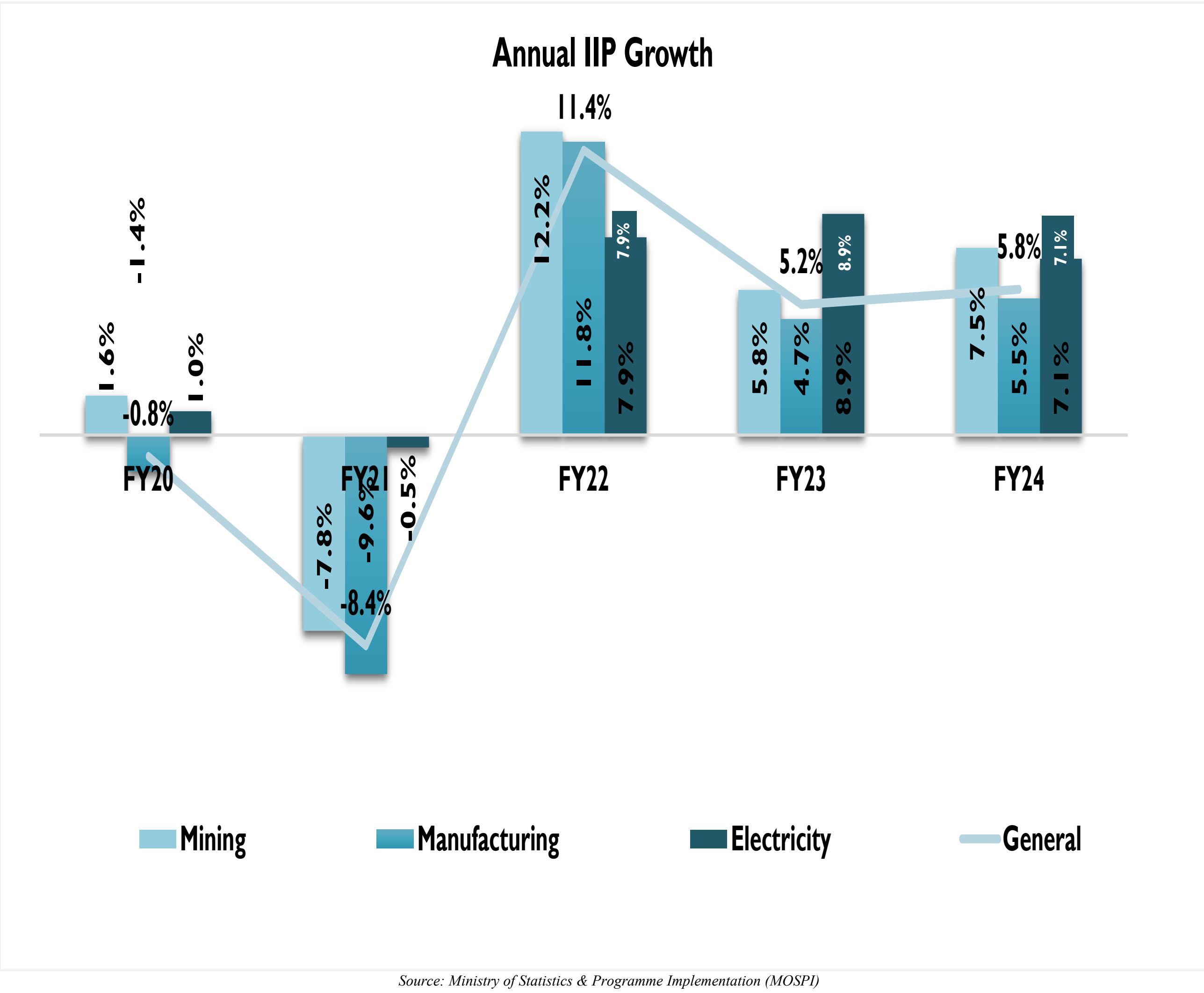
[2] https://www.rbi.org.in/Scripts/Data_Sectoral_Deployment.aspx as on 22nd March 2024.

Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector rose significantly and it registered a growth of 8.1%, 8.5% and 10.7% in FY 2024 against a growth of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against a 9.5% in the previous years.

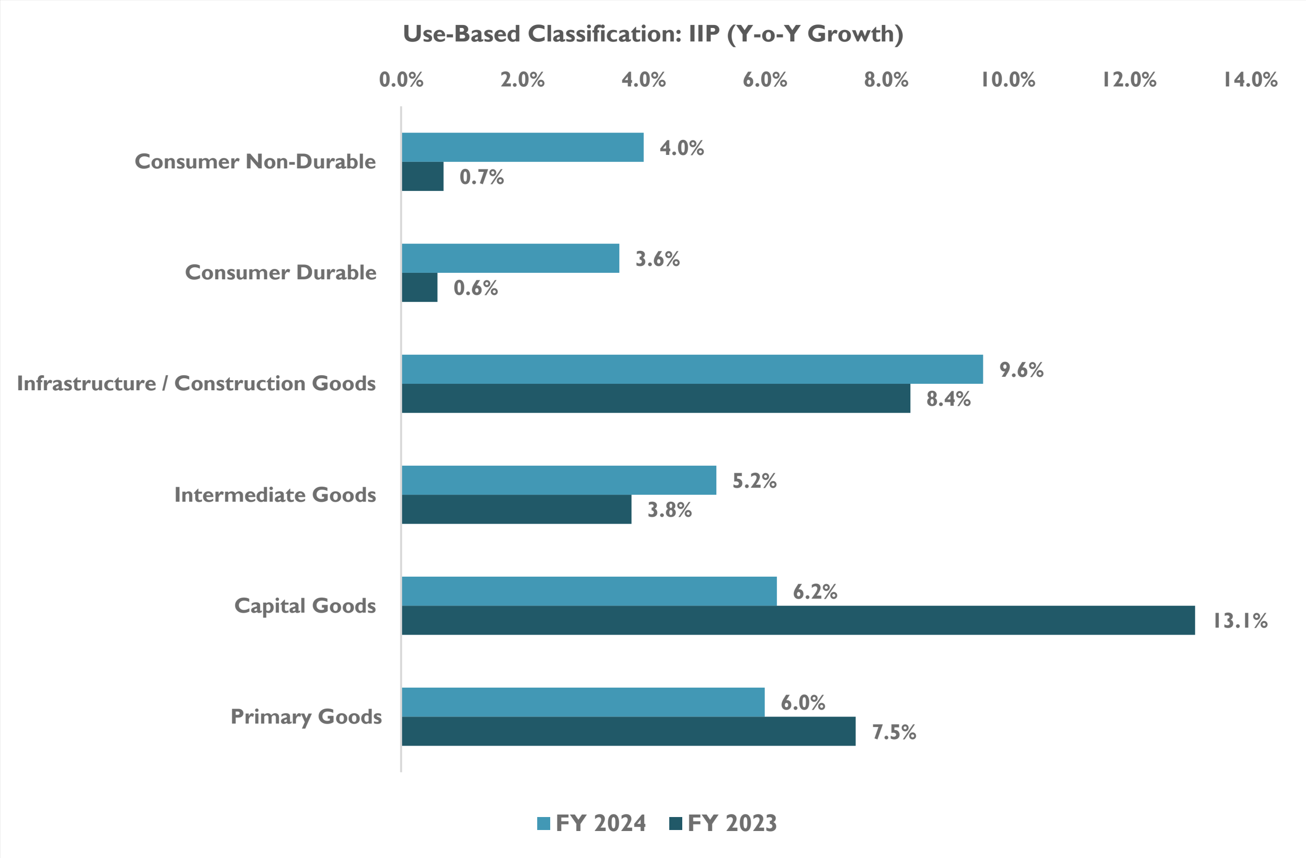
Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to grow by 12% in FY 2023. However, second advance estimates for FY 2024 revealed a decelerated growth in the largest component of the GDP, i.e., the service sector. In FY 2024, the sector registered a growth of 7.5%, as compared to the 10% growth recorded in FY 2023. This slowdown is primarily attributed to a pronounced deceleration in the Trade, Hotel, Transport, Communication, and Broadcasting services. The growth rate in this subsector nearly halved, decreasing from 12% in FY 2023 to 6.5% in FY 2024. This slowdown is influenced by the normalization of the base effect and potentially some dilution in discretionary demand. Financial services, real estate and professional services sector recorded 8.21% in FY 2024 y-o-y growth against 9.05% y-o-y growth in the previous year (in FY 2023), while public administration and defence services sector recorded 7.75% yearly increase (in FY 2024) against 8.92% increase in the previous year (in FY 2023).

Index of Industrial Production

Industrial sector performance as measured by IIP (Index of Industrial Production) index exhibited mild improvement in FY 2024 by growing at 5.8% (against 5.2% in FY 2023). Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% in FY 2023 while mining sector index too grew exhibited healthy improvement by growing at 7.5% in FY 2024 against 5.8% in FY 2023. Electricity sector index witnessed improvement of 7.15% in FY 2024 against 8.9% y-o-y growth in FY 2023.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

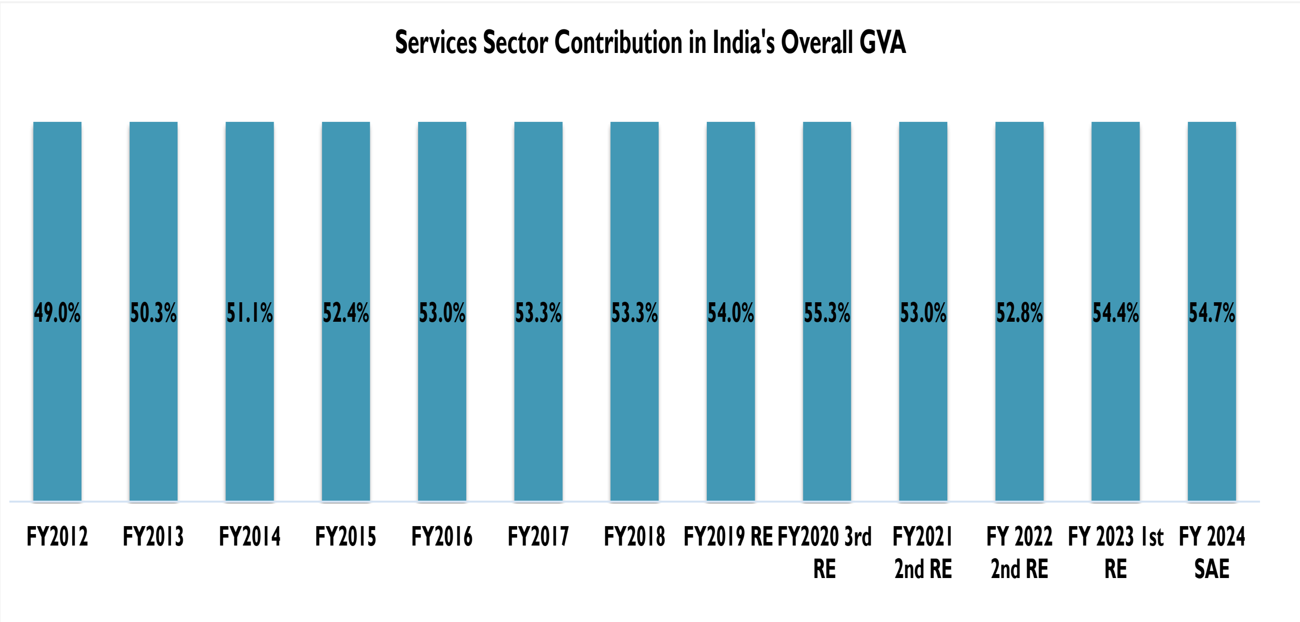


Sources: MOSPI

As per the use-based classification, excluding capital goods and primary goods, other segments observed healthy y-o-y growth against the previous year. Infrastructure / construction goods followed by intermediate goods were the bright spot while consumer non-durable and consumer durable both observed sharp growth over the previous year. However, the mild growth in IIP indicates towards challenging operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance.

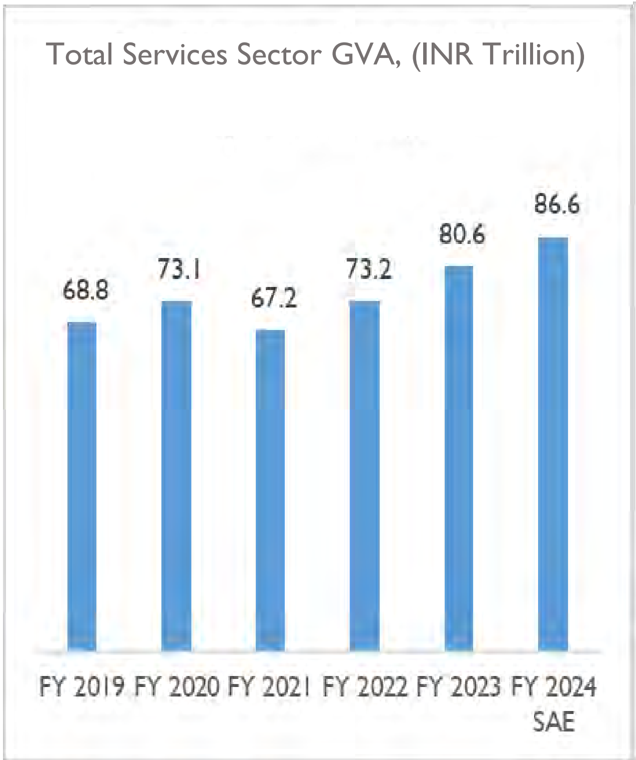
Expansion in Service Sector

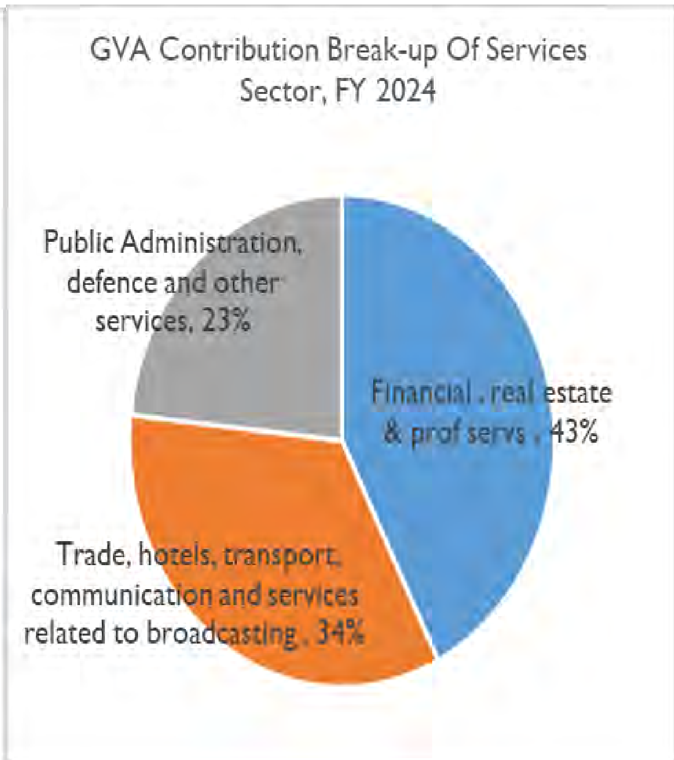
Services sector is a major contributor to the country's overall economic growth. Since FY 2012, its contribution to India's GVA has increased from 49% to nearly 55% currently (in FY 2024) as per Second Advance Estimates.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the second advance estimates), registering a CAGR of nearly 5%. While excluding 8.1% decline in FY 2021, the services sector GVA has observed 7.7% average increase in the post pandemic period (FY 2022-24). Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services1F observed 4.4% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24. The expansion of the service sector has spurred the development of multiple industries, including IT (Information Technology), healthcare, tourism, transport, median & entertainment, and finance, among others. ***VFX (Visual Effects) is part of media & entertainment which falls under the broader service segment as services related to broadcasting segment.***





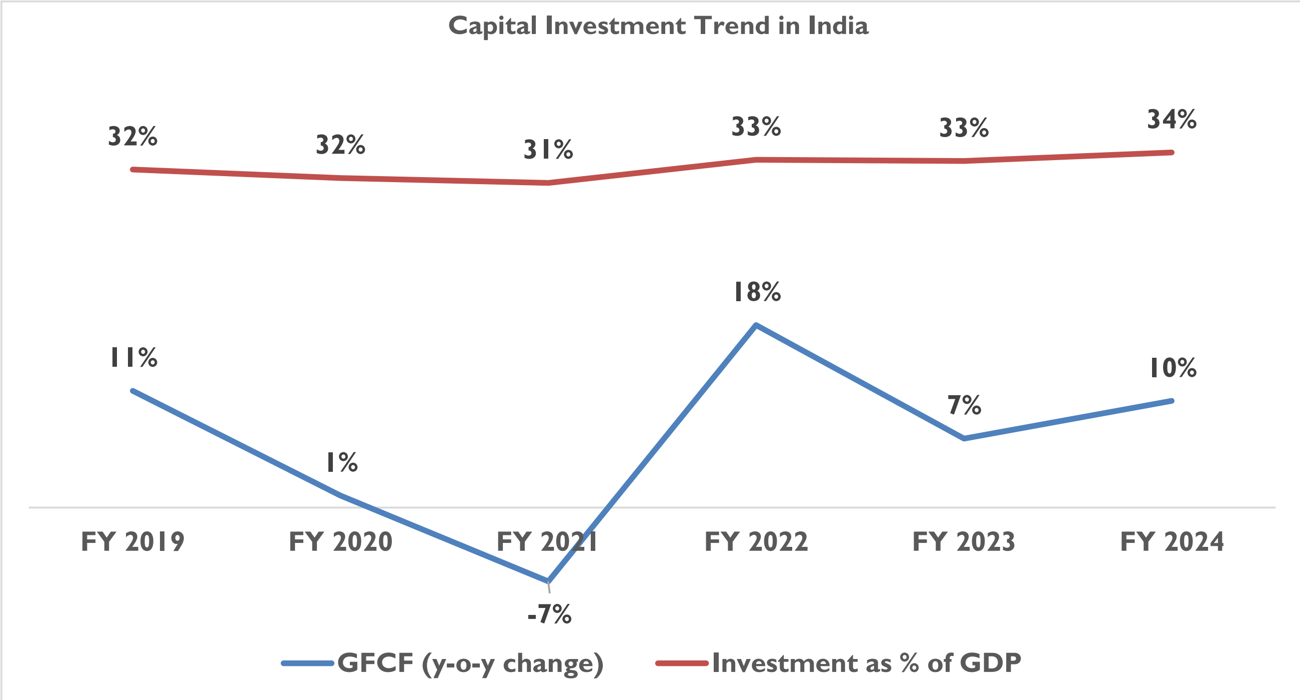
Sources: Ministry of Statistics & Programme Implementation (MOSPI)

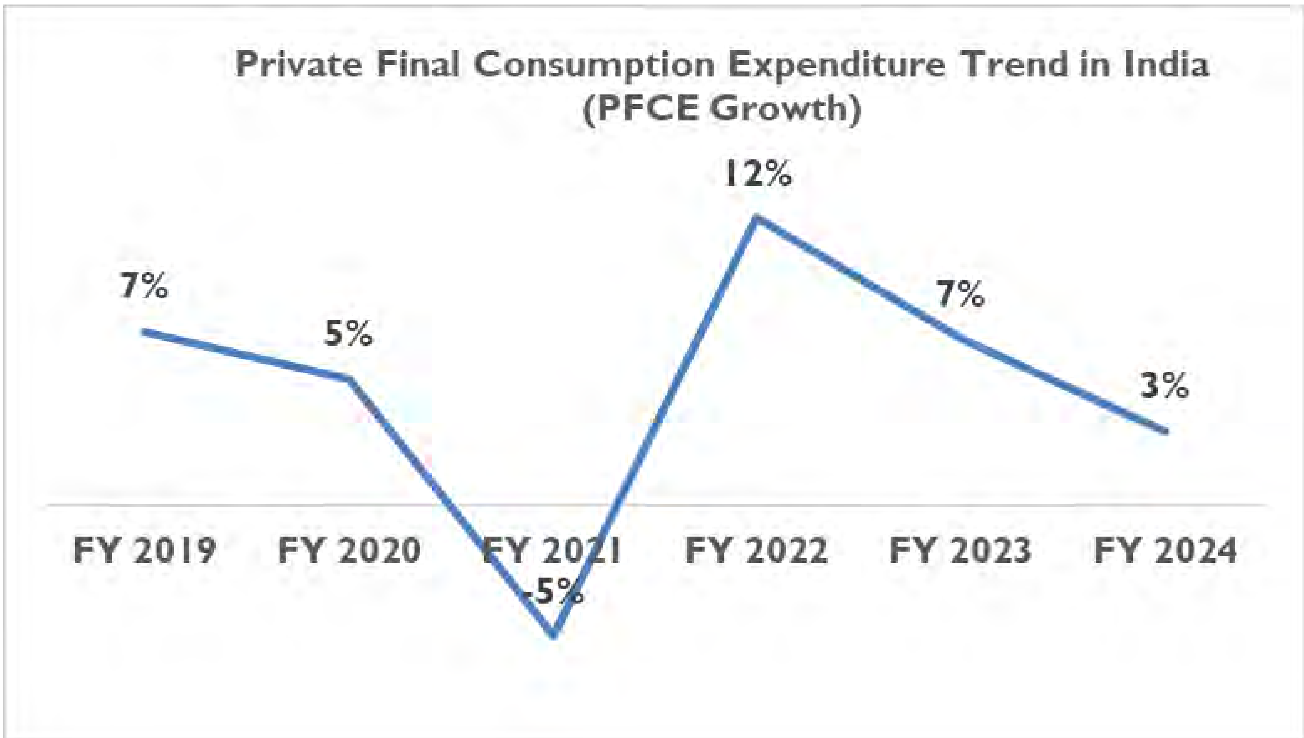
India's HSBC[3] Services Purchasing Managers' Index, an important indicator to track service sector performance, increased to 61.4 in May 2024 from 60.8 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 10% on a y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured all-time high settled higher at 34%.

[3] Hongkong and Shanghai Banking Corporation.



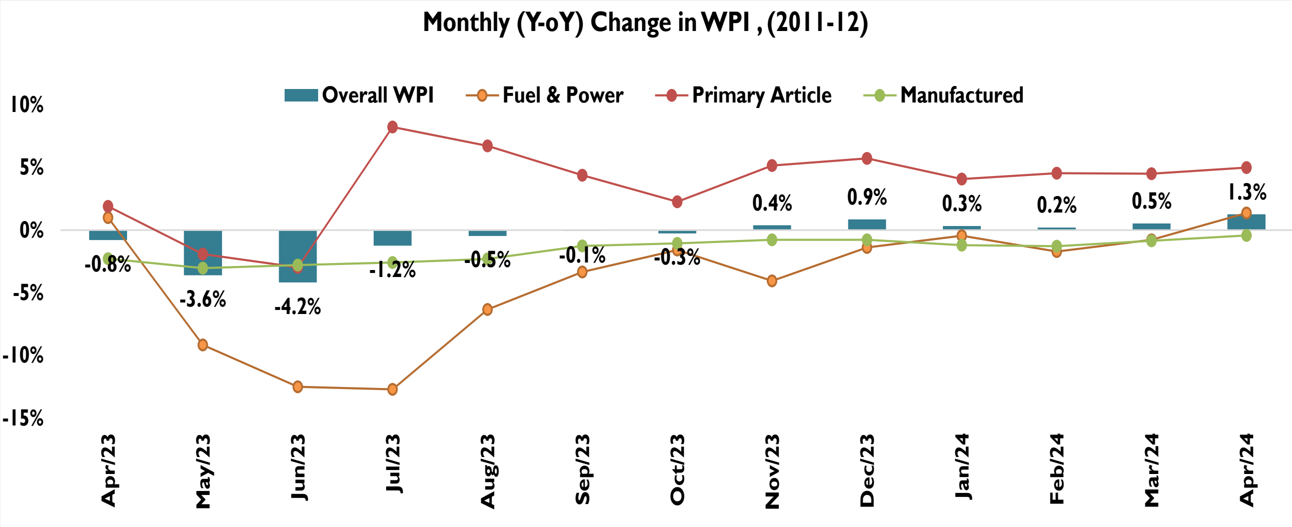


Sources: MOSPI

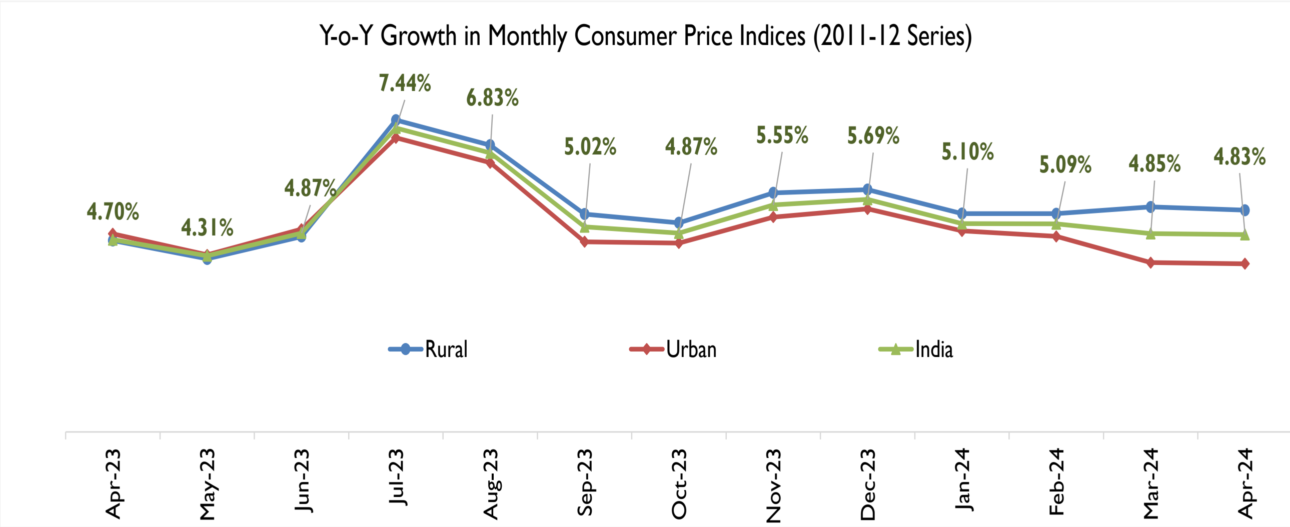
Private Final Consumption Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 3.1% y-o-y growth in FY 2024 which is less than half of the previous year indicating sustained weakness in consumer spending.

Inflation Scenario

The inflation rate based on Wholesale Price Index (WPI) exhibited rose to 1.3% in the month of April 2024 on the back of steady growth in the prices of primary article which grew by 5% in April 2024 on y-o-y bases. Increasing prices of food articles and energy prices contributed to increasing inflation.



Source: MOSPI, Office of Economic Advisor.



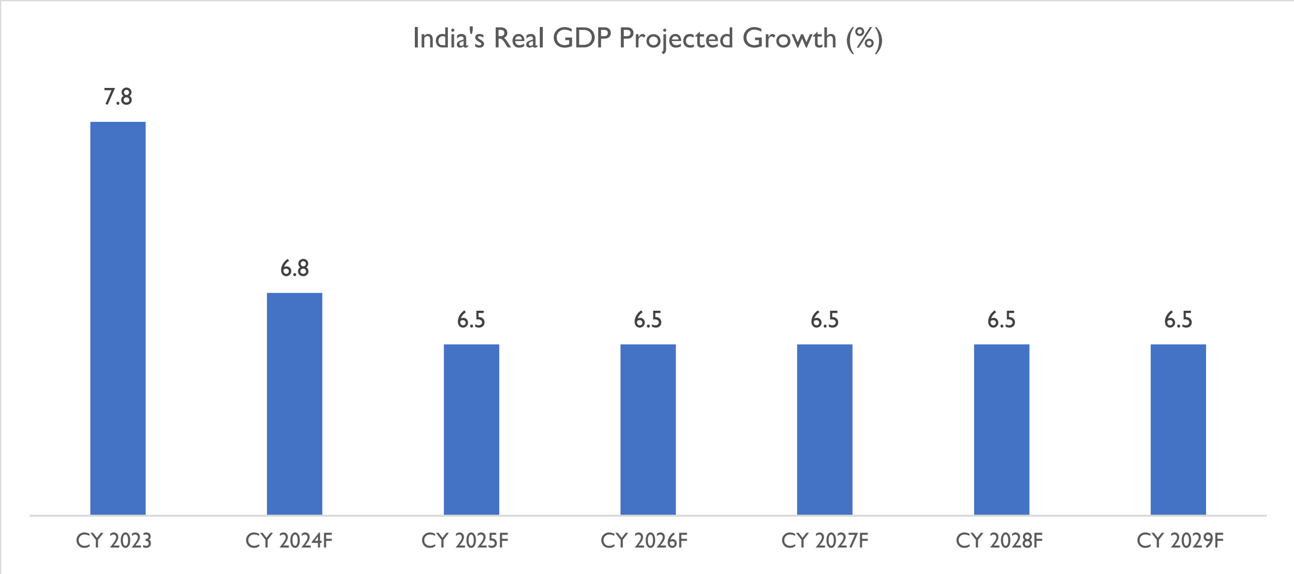
Source: CMIE[4] Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) eased to 4.83% in April 2024 as compared to 4.85% in March 2024. The CPI[5] inflation for rural and urban for the month of April 2024 was 5.43% and 4.11% against 5.51% and 4.14% respectively in March 2024. Retail inflation moderated during FY 2024 after the peak of 7.4% in July 2023 and it fluctuated between 4.85%-6.83%. CPI measured below 6% tolerance limit of the central bank since September 2023. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 250 bps (basis points) since May 2022 to current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

India's Economic Growth Outlook

Looking ahead to CY 2024, India's projected GDP growth of 6.8% in CY 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6% and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from CY 2025 to CY 2029, reflecting strong economic fundamentals and continued momentum.

[4] Centre for Monitoring Indian Economy.
[5] Consumer Price Index.



Source: IMF[6]

This decent growth momentum in near term (CY 2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1st Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY 2024 and setting a lower-than expected fiscal deficit target for FY 2025, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up Research & Development (R&D) in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY 2024 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 billion) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

However, headwinds to external demand emanate from recession in key exporting partners - the UK and Germany (which collectively account for over 5% of India's export portfolio) - and the spiralling effect it will have on other European countries. Supply disruptions posed by the conflict in the Red Sea, leading to rerouting of shipments through Africa, are impacting sectors exposed to exports to Europe, running on thin margins, especially small businesses. Although headline inflation moderated to 5.1% in January 2024, a three-month low, volatility in crude prices and uncertainties about food inflation are likely to keep the central bank cautious in the near term.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM[7] Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed

[6] International Monetary Fund.
[7] Prime Minister.

by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and Production Linked Incentive (PLI) schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

Animation Industry

Global Scenario

As of 2024, the animation industry is experiencing impressive growth, fuelled by technological advancements and increasing global demand. Innovations in 3D (Three Dimensional) modelling, virtual reality, augmented reality, and artificial intelligence are enhancing animation quality and expanding its applications across various sectors, including entertainment, advertising, education, life sciences, and healthcare. The global animation market is growing significantly, with North America recognized as the largest market. Computer-generated animation dominates the industry, making up a substantial portion of the global animation market composition. The market has seen remarkable expansion from 2018 to 2021, driven by increasing demand and technological progress. The global 3D animation and visual effects markets are expected to grow significantly, with the Asia Pacific region, led by Japan and India, standing out as the fastest-growing market for VFX.

Top animation studios like Disney, Sony Pictures Animation, and Netflix continue to lead the industry, with Disney being the world's largest animation studio, known for its iconic films and series that have captivated audiences for decades. Sony Pictures Animation is celebrated for its innovative storytelling and visual creativity, while Netflix has rapidly expanded its animated content library and original productions. The industry has experienced substantial growth trends. This growth is mirrored in the 3D animation market, which is expected to see significant adoption across industries such as entertainment, advertising, gaming, augmented reality, and virtual reality. The global gaming market is also poised for remarkable growth, further driving demand for animation.

Regionally, Asia Pacific is the fastest-growing VFX market, with Japan boasting the largest animation industry in the region, supported by significant revenue from international markets. China's animation industry has also grown substantially in recent years, while the European Union's industry contributes significantly to the region's economy. South Korea's animation industry is experiencing rapid growth, primarily through exports, and Canada's industry is expected to grow further in the upcoming year. Latin America is also seeing a rise in investments, expanding local production capabilities, and gaining international recognition.

The demand for skilled animation professionals has surged globally, driven by the rising popularity of 3D mobile games and applications. In the United States, the animation industry employs a large workforce. Japan's industry supports a significant workforce, underscoring its status as the largest animation market in the Asia Pacific region. The United Kingdom's industry has also employed a substantial number of individuals, reflecting the industry's contribution to the economy. Canada's job market within the industry experienced rapid growth, and the European Union has seen robust annual job growth, reflecting the expanding demand for skilled professionals.

Production within the animation industry has also seen significant developments. Computer-generated animation emerged as a predominant force within the global market. Animated films, known for their lengthy production timelines, often span many years from conception to completion. A significant portion of animated content is distributed through television and streaming platforms, with North America being a major player in the industry. Disney commands a substantial share of the global market for animation consumption, contributing to the industry's overall growth.

Overall, the animation industry is growing rapidly and making a significant impact globally. It offers numerous job opportunities and continues to expand each year, driven by increasing demand for animated content on platforms like Netflix and in theatres. The industry continues to evolve with new technologies and storytelling methods, making it an integral part of the global entertainment landscape.

Indian Scenario

In 2023, the Indian animation sector faced a challenging year, marked by a contraction in growth due to delays in project timelines and a slowdown in mergers and acquisitions. The decline in the industry was largely influenced by disruptions in the global entertainment sector, including a significant impact from the writers' strike in Hollywood and structural changes within major industry players like Warner Bros.[8], Discovery, Zee, Sony, and Viacom18. These factors contributed to a noticeable reduction in the number of new Indian animated projects, with fewer releases compared to the previous year. Additionally, major broadcasters experienced a downturn in advertising revenue, further impacting the industry's overall performance.

Despite these challenges, industry leaders are optimistic about a recovery in the upcoming fiscal year. They anticipate a rebound driven by evolving demand and shifting consumption patterns, which are expected to breathe new life into the animation sector. This positive outlook is supported by the growing interest in international markets, as Indian studios increasingly participate in global events and form collaborations in regions such as Russia, Spain, Italy, and the Middle East. This strategic move aims to counteract the slowdown in domestic demand by tapping into new and diverse markets.

Cost-reduction measures implemented by major OTT (over-the-top) platforms also had a significant impact on the volume of animation work outsourced to India. Platforms like Disney+ Hotstar[9] and Netflix undertook efficiency initiatives, leading to a reduction in animation projects, with Netflix undergoing restructuring that resulted in job cuts and the cancellation of several animated series.

YouTube continues to dominate as the leading digital platform for animated content in India, accounting for a large portion of children's content consumption. Despite challenges from regulatory changes, studios remain invested in YouTube due to its advanced data analytics capabilities. The trend of urban children favouring digital platforms over television, which remains more popular in rural areas, persisted in 2023. New entrants like JioCinema are expected to further boost digital viewership with a diverse range of content offerings.

The anime segment in India experienced significant growth, with the country emerging as the second-largest anime fan base globally. This rise in popularity has led to increased opportunities in merchandising and licensing, as well as expanded offerings from platforms like JioTV and Prime Video.

The industry is also evolving in terms of content distribution, with new partnerships and multi-platform launches broadening the reach of Indian animated content. Technological advancements, particularly in AI (Artificial Intelligence), Unreal Engine, and cloud computing, are expected to drive efficiency and profitability in animation production. However, the industry faces a talent shortage that has limited the full potential of these technologies.

There are emerging opportunities in the adult animation market, particularly in regions like the US (United States), where demand has surged significantly. Indian studios are also increasingly collaborating with universities and educational institutions to address the talent gap and prepare for the growing complexity of animation work outsourced to the country. The development of cloud-based infrastructure is expected to further support global collaborations, while the creation of globally resonant intellectual properties remains a key focus for the industry.

Overall, while the past year presented significant challenges, the Indian animation sector is poised for recovery and growth soon, with numerous opportunities for innovation and expansion across various segments of the industry.

An Overview: VFX industry

Visual Effects, or VFX, is the behind-the-scenes wizardry that breathes life into the fantastical worlds and impossible scenarios which is seen on the screen. VFX encompasses the creation or manipulation of any imagery that isn't filmed during live-action shooting. This can range from adding a fantastical creature like a dragon to meticulously erasing stunt wires from an action sequence. VFX artists use a combination of techniques, including computer-generated imagery (CGI), compositing (seamlessly blending live-action footage with VFX elements), and green screens (which allow for the replacement of a background with a digital environment). The goal of VFX is to seamlessly integrate these elements with the live-action footage, creating a realistic and believable final product. Whether it's making a superhero soar through the sky or transforming a city into a futuristic landscape, VFX is the secret sauce that allows filmmakers to bring their wildest visions to life.

The Visual Effects (VFX) industry has undergone a phenomenal transformation in recent years. Driven by factors like the surge of streaming services, the ever-growing demand for high-quality content, and the constant technology innovation, VFX has become an indispensable part of filmmaking, television, video games, and even immersive media formats. Market research predicts a significant rise in the global VFX market, with estimates suggesting a growth rate exceeding 10-13% in the coming years. This translates to a booming industry valued in the tens of billions. This global VFX landscape is fuelled

[8] Warner Bros. also known as Warner Bros. Entertainment Incorporated is an American film and entertainment studio and a subsidiary of Warner Bros. Discovery (WBD).

[9] Disney+ Hotstar (pronounced "Disney Plus Hotstar") is an Indian subscription video-on-demand over-the-top streaming service owned by Disney India, a subsidiary of Disney Company.

by several key trends. Firstly, the rise of streaming giants like Netflix and Disney+[10] has created a constant demand for fresh, visually captivating content. Secondly, advancements in CGI (Computer-Generated Imagery) and other VFX tools allow for the creation of increasingly realistic and awe-inspiring visuals. Finally, the rise of virtual production techniques is blurring the lines between filmmaking and post-production, allowing for even more efficient and innovative workflows. The Indian VFX industry has emerged as a major player on the global stage. With its pool of talented artists, competitive pricing, and growing technological expertise, India is attracting a significant chunk of VFX work for Hollywood blockbusters and international productions. This trend is being driven by several factors. Firstly, Indian studios offer high-quality VFX services at a more affordable cost compared to traditional VFX hubs like Los Angeles. Secondly, the Indian government's initiatives to promote the media and entertainment sector have created a supportive environment for VFX companies to thrive. Finally, a large pool of skilled artists, coupled with a strong educational system focused on VFX training, ensures a steady stream of talent for the industry.

This growth in the Indian VFX industry not only benefits the domestic film scene but also positions India as a major force in shaping the future of visual effects on a global scale. The collaborative efforts between international studios and Indian VFX houses are pushing the boundaries of what's possible on screen, making movie magic more real than ever before.

Business Model and Flow of Operation

The Indian Visual Effects (VFX) industry has witnessed remarkable growth over the past few years, establishing itself as a key player in the global entertainment landscape. Driven by the increasing demand from film, television, advertising, and digital content sectors, India's VFX industry has carved out a niche by offering high-quality services at competitive prices. This thriving industry is characterized by a dynamic business model and a streamlined flow of operations, enabling it to cater to a diverse clientele while maintaining efficiency and innovation.

Business Model

- ***Client Segments:*** The Indian VFX industry serves a wide array of clients, including film production houses from both Bollywood and regional industries, television networks seeking VFX for shows, promos, and advertisements, and advertising agencies leveraging VFX for engaging commercials. Streaming platforms are also significant clients due to their growing need for high-quality VFX in original content. Furthermore, the gaming industry shares similar skill sets and software needs, adding another layer of clientele for VFX services.

- ***Value Proposition:*** Indian VFX studios offer a compelling value proposition centred around cost efficiency, providing high-quality services at a fraction of the cost compared to Western markets. With access to a vast pool of skilled artists and technicians, these studios ensure a steady supply of talent for various projects. Additionally, the scalability of Indian studios, facilitated by their sizeable workforce, allows them to handle large volumes of work, making them appealing to both domestic and international clients.

- ***Revenue Streams:*** The revenue streams for Indian VFX studios primarily include project-based contracts, where fees are charged for specific projects, and retainer agreements involving long-term contracts with consistent monthly payments. Some studios also engage in co-production agreements, sharing revenue from projects they have invested in, thus diversifying their income sources and aligning their interests with clients.

- ***Key Partnerships:*** Strategic partnerships are crucial for the Indian VFX industry. Studios often collaborate with software and technology providers such as Autodesk, Adobe, and Foundry to access advanced tools and solutions. They also partner with training institutes to ensure a steady supply of trained professionals. Collaborations with international studios facilitate global project execution and knowledge exchange, enhancing the industry's competitive edge.

- ***Cost Structure:*** The cost structure of Indian VFX studios is largely defined by personnel costs, including salaries for artists, technicians, and administrative staff. Investment in technology and infrastructure, such as software, hardware, and studio facilities, represents another significant expense. Continuous training and development are essential for keeping the workforce skilled and competitive, while marketing and sales efforts are necessary for acquiring and maintaining clients.

Flow of Operations

[10] Disney+ (pronounced "Disney Plus") is a global streaming service created and owned by The Walt Disney Company's Streaming and Entertainment units.

Pre-Production: Pre-production involves concept development, where VFX teams collaborate with clients to understand their creative vision and requirements. This phase includes storyboarding to visually represent scenes and outline VFX needs. Budgeting and scheduling are also crucial, as they involve estimating costs and timelines for project completion.

Production: During production, VFX teams focus on asset creation, which involves designing characters, environments, and other digital elements. On-set supervision is critical to ensure that VFX requirements are met during live-action shooting, maintaining consistency with the project's creative vision.

Post-Production: Post-production is a multi-step process that includes compositing, where digital assets are integrated with live-action footage. Animation and motion capture bring characters and environments to life, while rendering finalizes the visual quality of scenes. Editing and review involve continuous feedback loops with clients to refine the output and ensure satisfaction.

Quality Control: Quality control is a vital aspect of the VFX process, involving internal reviews to ensure the output meets high standards. Regular client approvals are conducted to incorporate feedback and make necessary revisions, ensuring the final product aligns with client expectations.

Delivery: The final stage of operations involves delivering the completed project in the required formats, ready for distribution. Archiving is also an important part of the process, as it involves storing project files for future reference or potential alterations.

Components of the VFX Ecosystem

The VFX industry thrives on a well-coordinated interplay of three key components: software, services, and hardware. Each plays a crucial role in transforming ideas into the dazzling visuals seen on the screen.

Software

VFX relies on a vast array of specialized software programs. 3D modelling software like Maya and ZBrush[11] allows artists to sculpt digital characters and environments. Animation software like Houdini and Adobe After Effects brings these models to life with movement and special effects. Compositing software like Nuke and Fusion seamlessly merges live-action

[11] ZBrush is a digital sculpting tool by Maxon.

footage with VFX elements. These programs require significant technical expertise and are constantly evolving, pushing the boundaries of what can be achieved visually.

Services

The VFX industry is a collaborative effort. VFX studios offer a wide range of services, from concept art and pre-visualization (creating a visual roadmap for the VFX) to modeling, animation, simulation (creating realistic effects like fire or explosions), and compositing. VFX studios also employ rotoscopers who meticulously isolate objects from backgrounds using specialized software, and matchmove artists who ensure that CGI elements interact realistically with live-action footage. VFX supervisors oversee the entire process, ensuring all the components come together seamlessly.

Hardware

Running this creative powerhouse requires high-performance hardware. VFX studios rely on powerful workstations with multiple graphics processing units (GPUs) to handle the intensive calculations needed for rendering complex 3D scenes and simulations. Additionally, vast amounts of data storage are needed to house all the digital assets created during the VFX process. Cloud computing is also playing an increasingly important role, allowing studios to access even greater processing power and storage capacity on demand.

Technologies used in the VFX industry

The VFX industry relies on complex and ever-evolving arsenal of technologies to bring imagination to life on screen.

Technology	Brief and its applications
Computer Generated Imagery (CGI)	This is the cornerstone of modern VFX. CGI allows artists to create entirely digital characters, creatures, environments, and objects. From the awe-inspiring dinosaurs in Jurassic Park to the fantastical landscapes of Avatar, CGI is used to bring the impossible to life with stunning realism.
Compositing	This is the magic that seamlessly blends live-action footage with VFX elements. Compositing artists use sophisticated software to match lighting, color, and motion, ensuring a believable and cohesive final image. From adding explosions to cityscapes to integrating dragons into battle scenes, compositing is essential for creating a unified visual experience.
Motion Capture (Mocap)	This technology records the movements of actors or objects, which can then be used to animate digital characters. Mocap allows for incredibly realistic and nuanced character animation, as seen in films like Gollum in Lord of the Rings or the Hulk in the Marvel Cinematic Universe.
3D Modeling & Animation	3D modeling software allows artists to create digital representations of objects, characters, and environments. These models can then be animated to create movement and lifelike interactions within the virtual world. 3D animation is used for everything from creating realistic cars for chase sequences to animating fantastical creatures for fantasy films.
Green Screen & Virtual Production	Green screens (also known as chroma key) replace the background behind actors with a digital environment. This allows filmmakers to create scenes in fantastical locations or even outer space without ever leaving the studio. Virtual production takes this a step further by using real-time rendering technology to display the virtual environment on set, allowing actors and directors to see the final scene as they film. This technique is revolutionizing filmmaking by offering greater flexibility and creative control.

Application of VFX in Motion Picture Industry

Evolution of VFX usage in motion picture industry

Global VFX Evolution

Early Days (Pre-1960s)

The pioneers of VFX relied on practical effects, using techniques like matte paintings, miniatures, stop-motion animation, and in-camera tricks to create fantastical elements. Films like Georges Melies' "A Trip to the Moon" (1902) and King Kong (1933) showcased the ingenuity of these early techniques.

The Rise of Optical Effects (1960s-1980s)

This era saw the development of optical effects, which allowed for compositing multiple film layers to create more complex visuals. Films like 2001: A Space Odyssey (1968) and Star Wars (1977) pushed the boundaries of what was achievable with this technology.

The CGI Revolution (1980s-Present)

The advent of powerful computers ushered in the era of CGI. Films like Terminator 2: Judgment Day (1991) and Jurassic Park (1993) redefined visual storytelling with groundbreaking CGI characters and creatures. Today, CGI remains the dominant force in VFX, constantly evolving to create ever-more realistic and awe-inspiring visuals.

The Rise of the Indian VFX Powerhouse

Early Efforts (1950s-1980s)

The early days of Indian VFX saw the use of basic techniques like animation and matte paintings. Films like Babubhai Mistry's work in "Khwab Ki Duniya" (1937) and the visual effects in "Mr. India" (1987) showcased the ingenuity of Indian artists despite limited resources.

Embracing Technology (1990s-Present))

With the rise of digital technology and globalization, the Indian VFX industry began to flourish. Studios like Tata Elxsi and Prime Focus leveraged their talent pool and competitive pricing to attract international projects. Films like "Lagaan" (2001) and "Baahubali" (2015) showcased the growing capabilities of Indian VFX houses.

A Global Player (Present))

Today, India is a major player in the global VFX industry. The government's support for the media and entertainment sector, coupled with a skilled workforce, has positioned India as a cost-effective and high-quality VFX destination. Indian studios are collaborating with Hollywood giants on major blockbusters, contributing significantly to the visual spectacle of modern cinema.

VFX spending pattern in motion picture industry

Globally

- ***Blockbuster Dominance:*** Hollywood blockbusters typically lead the pack in VFX spending. Studios invest heavily in creating visually stunning spectacles, often allocating a significant portion (20-50% or more) of their production budgets to VFX. Films like "Avatar" and "Avengers: Endgame" serve as prime examples, showcasing the incredible possibilities and high costs associated with cutting-edge VFX.

- ***Genre-Specific Spending:*** VFX spending varies depending on the genre. Films in the sci-fi[12], fantasy, and superhero genres typically have higher VFX budgets compared to dramas or comedies. This reflects the need for elaborate creature creation, futuristic environments, and fantastical elements.

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[12] Science fiction.

- ***The Rise of Streaming Services:*** The rise of streaming giants like Netflix and Disney+ has significantly impacted VFX spending patterns. These platforms compete for viewers by offering visually spectacular content. Studios working with streaming services are increasingly allocating larger budgets to VFX, creating high-quality shows that rival Hollywood blockbusters.

India

- ***Strategic Investment:*** Indian filmmakers are increasingly recognizing the power of VFX to enhance storytelling and create visually spectacular experiences. While budgets may not yet rival Hollywood blockbusters, there's a strategic shift towards allocating a larger share of production costs to VFX. Big-budget Indian films like "RRR"[13] and "Brahmastra" are testaments to this trend, with VFX budgets reaching 25-30% of their total production costs.

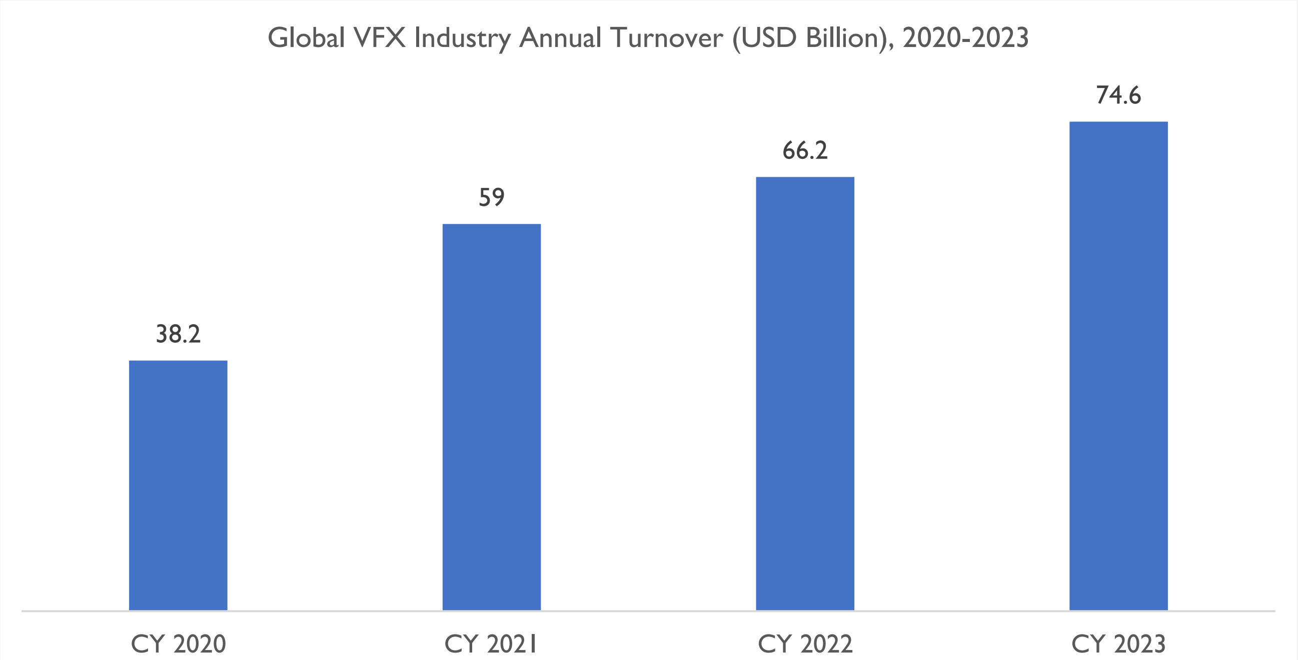
- ***Focus on ROI:*** Indian filmmakers are often budget conscious. VFX spending tends to be more targeted, focusing on key scenes or elements that will have the most significant impact on viewers. This approach ensures a strong return on investment (ROI) for VFX-heavy sequences.

- ***Government Incentives:*** The Indian government's support for the VFX industry plays a role in spending patterns. Initiatives like tax breaks and financial reimbursements incentivize filmmakers to utilize VFX in their projects, potentially leading to increased spending in this area.

Global VFX industry Outlook

Market Scenario

The global VFX industry is experiencing a period of significant growth, with market revenue steadily climbing in recent years. The market revenue has grown from USD 38.2 billion in CY 2020 to USD 74.6 billion in CY 2023, representing a CAGR of approximately 25%. This substantial growth indicates a thriving industry fuelled by several key factors.



Source: Dun and Bradstreet Research and Estimates

The rise of streaming services like Netflix and Disney+ has created a constant demand for fresh, visually captivating content. Studios are increasingly relying on VFX to enhance their productions and differentiate themselves in a competitive market. Additionally, advancements in VFX technology, such as more powerful computers and innovative software, allow for the creation of ever-more realistic and awe-inspiring visuals. This, in turn, fuels audience demand for immersive and visually spectacular experiences, further propelling the VFX market.

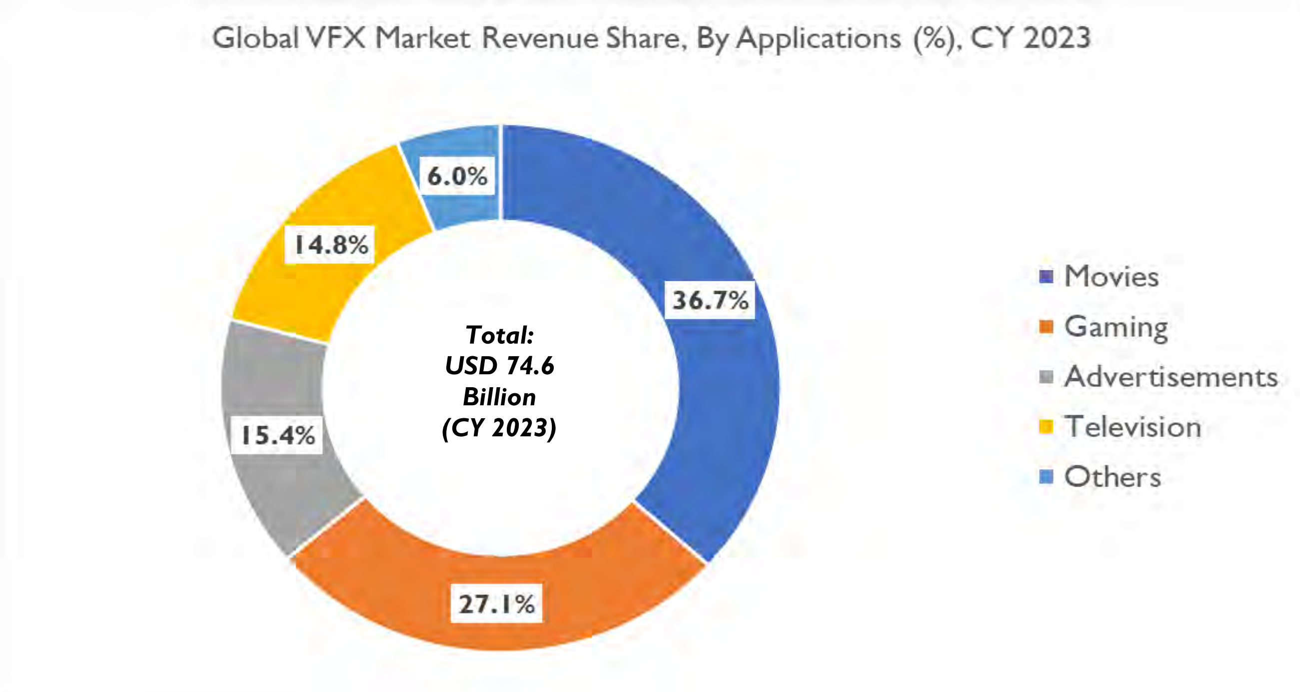
[13] RRR is an Indian epic period action-drama film released in 2022.

The global box office is experiencing a welcome rebound alongside the booming VFX industry. According to the Motion Picture Association's report, movie ticket sales jumped to USD 21.3 billion in CY 2021, an 81% increase from the pandemic-stricken year of 2020. This resurgence in moviegoing is fueling the demand for VFX-laden films.

This trend aligns perfectly with the impressive growth of the VFX market, as highlighted previously which showed a jump from USD 38.2 billion in CY 2020 to USD 74.6 billion in CY 2023. This increased demand for VFX can be further attributed to the significant rise in film production in CY 2023. Countries like India (347 films), Japan (323 films), China (441 films), United Kingdom (315 films), Italy (272 films) and Spain (263 films) all saw major increases in output in CY 2023. With more movies being made, particularly in VFX-friendly locations like India, the demand for skilled VFX artists and cutting-edge visual effects is surging, propelling the VFX market even further.

Market Segmentation

The dominance of the movie segment is evident, contributing a significant USD 27.4 billion, or 36.7% of the total global VFX market revenue in CY 2023. This dominance reflects the ever-increasing demand for visually spectacular experiences in the film industry. Studios are heavily reliant on VFX to create fantastical worlds, enhance action sequences, and bring stories to life in a captivating way. The blockbuster success of VFX-heavy films further fuels this demand, creating a positive feedback loop.



Source: Dun and Bradstreet Research and Estimates

Following closely behind is the gaming segment, with a revenue contribution of USD 20.2 billion, translating to 27.1% of the total market share. The rise of high-fidelity video games with expansive worlds and immersive experiences is driving the demand for cutting-edge VFX. Game developers are increasingly utilizing VFX techniques to create realistic characters, environments, and visual effects, blurring the lines between games and cinematic experiences.

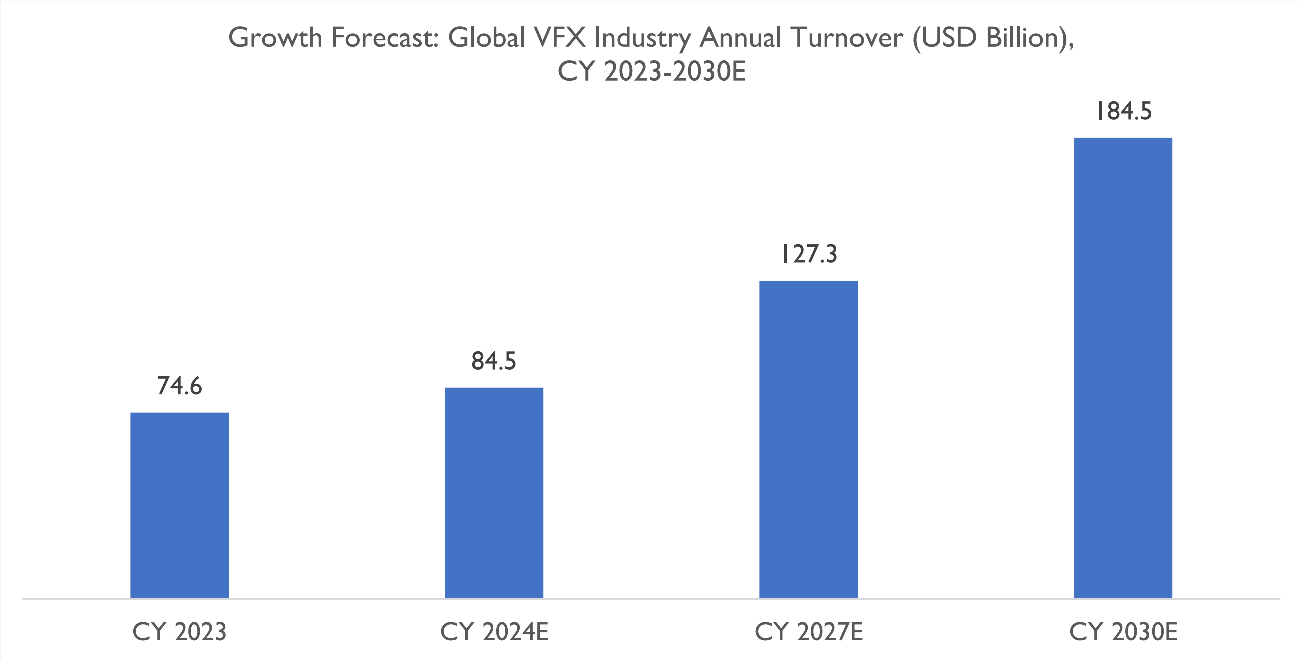
Coming in at USD 11.5 billion and USD 11 billion respectively, the advertisement and television segments hold a respectable share of the market, contributing 15.4% and 14.8% in CY 2023. Advertisers are leveraging VFX to create visually stunning commercials that grab viewers' attention and leave a lasting impression. Television shows, particularly in the sci-fi, fantasy, and action genres, are increasingly relying on VFX to enhance their production value and compete in a crowded entertainment landscape.

Finally, the "Others" segment, encompassing a diverse range of applications such as virtual reality experiences and architectural visualizations, contributed USD 4.5 billion, representing 6.0% of the total market share.

Growth Forecast

The global VFX industry is on a trajectory for impressive growth, with market revenue expected to surge in the coming years. The market revenue is projected to jump from USD 74.6 billion in CY 2023 to a staggering USD 184.5 billion by

CY 2030, reflecting a CAGR exceeding 13.5%. This upward trend signifies a thriving industry fuelled by several key factors.



Source: Dun and Bradstreet Research and Estimates

One major driver is the insatiable demand for high-quality, visually captivating content. Streaming services like Netflix and Disney+ are constantly churning out new shows and movies, each vying for viewers' attention. VFX plays a pivotal role in creating visually stunning experiences that differentiate these offerings and keep audiences glued to their screens.

AI (Artificial Intelligence) and ML (Machine Learning) are poised to revolutionize the VFX workflow. AI has the potential to revolutionize the VFX industry by automating repetitive tasks and assisting with complex simulations. Machine learning algorithms can analyse vast amounts of data to create realistic textures, lighting effects, and even automate character animation processes. While AI won't replace VFX artists entirely, it will undoubtedly become a powerful tool, allowing artists to focus on higher-level creative tasks, ultimately leading to faster production cycles and a potential cost reduction. The concept of the Metaverse, a persistent, shared virtual world, holds immense potential for the future of entertainment. VFX studios will be at the forefront of crafting visually stunning experiences within the Metaverse, shaping how people interact and consume entertainment in this new digital space. Similarly, VR (Virtual Reality) experiences are becoming increasingly sophisticated, demanding high-quality VFX to create realistic and believable virtual worlds.

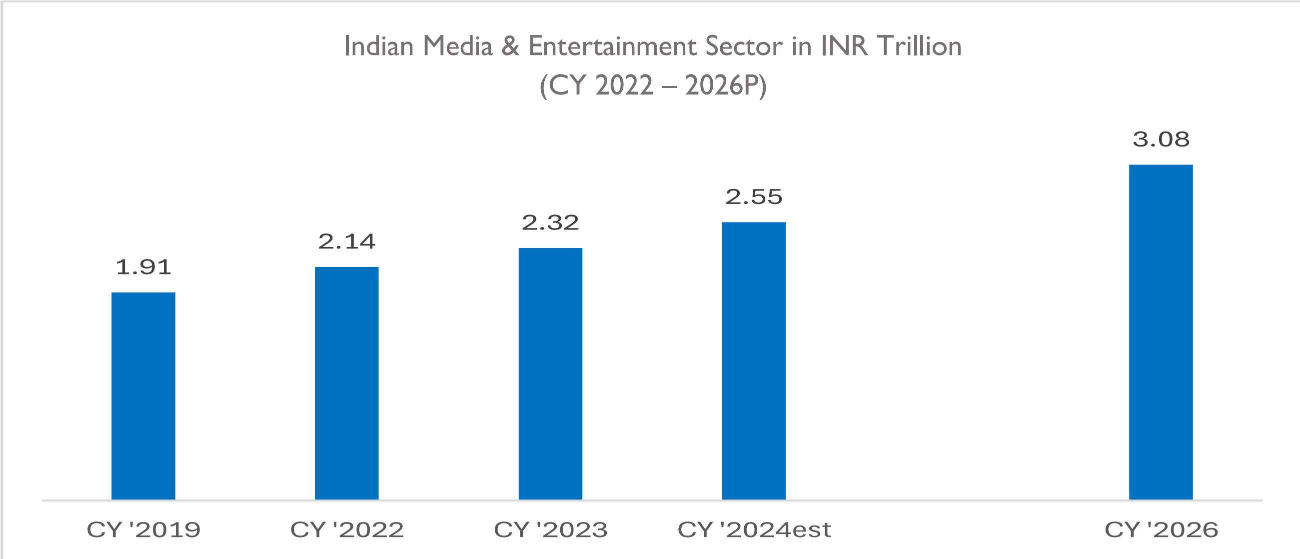
Furthermore, advancements in VFX technology are continuously pushing the boundaries of what's possible. Powerful computers and cutting-edge software allow artists to create hyper-realistic creatures, environments, and effects, further captivating audiences and driving demand for VFX-heavy productions. This creates a positive feedback loop - as audiences crave more immersive visuals, studios invest heavily in VFX, leading to even more innovation and market growth.

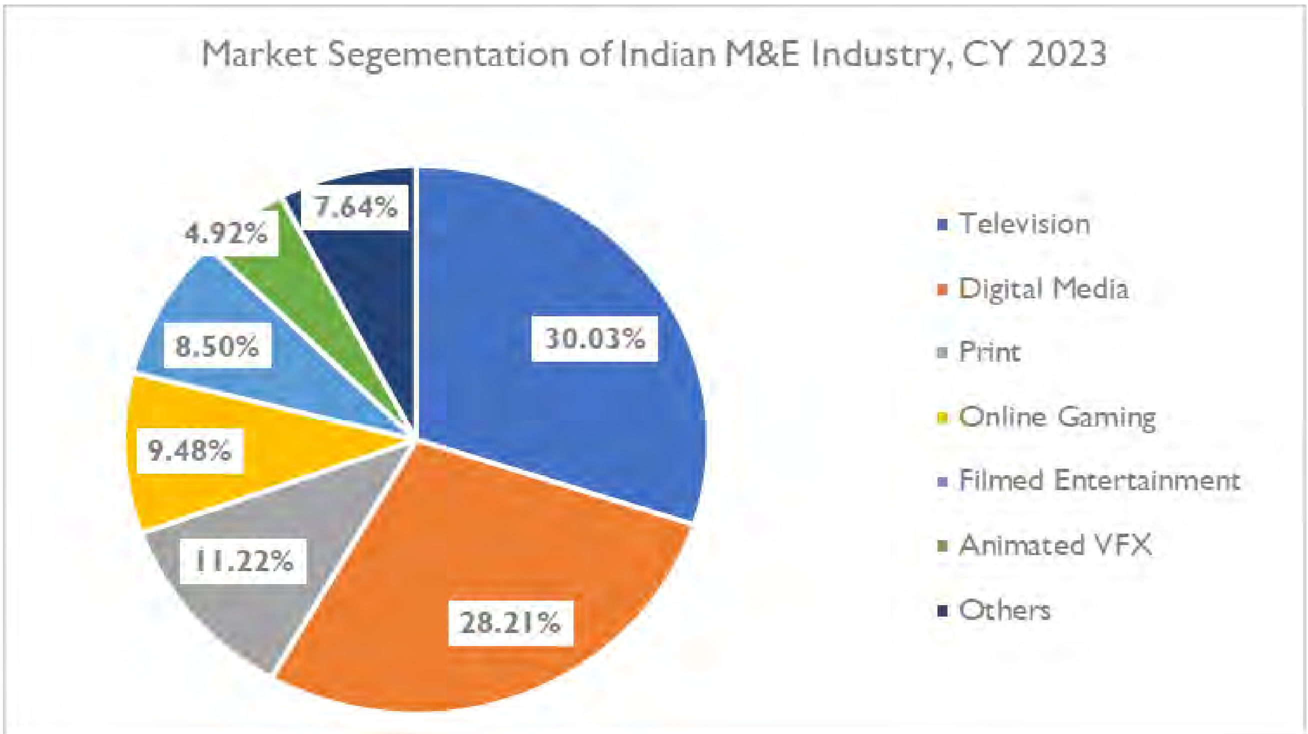
Looking beyond the immediate factors, the rise of virtual production techniques is poised to revolutionize filmmaking. Virtual production allows for real-time rendering of VFX elements on set, streamlining workflows and offering directors greater creative control. This technology is expected to become more widely adopted in the coming years, further propelling the VFX market.

Indian Broadcasting and Entertainment Sector[14]

In 2023, the Indian media and entertainment (M&E) sector saw substantial growth, with annual addition of INR 180 billion, the industry size grew to INR 2.32 trillion (USD 27.9 billion), reflecting an 8.4% rise. This growth has propelled the sector to expand at a CAGR of ~6% from INR 1.91 trillion in CY 2019 to INR 2.55 trillion in CY 2024 surpassing pre-pandemic levels, although traditional segments like television, print, and radio are yet to fully recover to their 2019 figures.

[14] Reinvent report on India's media and entertainment sector, 2024. | Exchange Rate used is 1 USD = 0.012 INR.





Sources: Dun & Bradstreet Desk Research

While television remains the largest segment, digital media is on track to surpass it by CY 2024, with the overall M&E sector expected to expand at a growth rate of 9.9% from 2.32 trillion in CY 2023 to INR 2.55 trillion by CY 2024 and further expand at a CAGR of ~9.9% from INR 2.32 trillion in CY 2023 to reach INR 3.08 trillion by CY 2026.

A significant driver of this expansion has been the increasing demand for visual effects (VFX), spurred by the rising popularity of Indian films, television shows, and web series. VFX has become an essential component for filmmakers aiming to create visually stunning content, fundamentally reshaping the industry. This growth presents a significant opportunity for India in the global VFX market. With rapid digital transformation, driven by an increasing number of internet users and affordable smartphones, India is well-positioned to become a major player in the VFX industry. The share of new media, including digital platforms and online gaming, grew from 20% in 2019 to 37.7% in 2023, while traditional media's such as Television, Radio, Print media (newspapers, magazines), Cinema share declined from 76% to 57% during the same period. Segments such as online gaming, filmed entertainment, live events, and out-of-home media experienced robust growth, collectively contributing 48% to the sector's overall expansion.

The shift in consumer behaviour towards on-demand and personalized content through streaming platforms has significantly increased the demand for VFX, with more original titles being commissioned. As a result, Indian studios are gaining global recognition, with international production houses increasingly outsourcing VFX work to India due to its cost-effectiveness and high-quality services. This presents a golden opportunity for India to capture a larger share of the global VFX market, driven by its growing capabilities and reputation in this space.

Despite challenges such as piracy, low broadband penetration in rural areas, and rising competition from digital platforms, the Indian broadcasting and entertainment sector is poised for continued expansion. With the rising demand for high-quality visual content, technological advancements, and a supportive market environment, India is well on its way to becoming a key player in the global VFX landscape.

Indian VFX industry Outlook

Role of India in global VFX market

India is rapidly carving a niche for itself as a major player in the global VFX industry with its unique blend of talent, cost-effectiveness, and technological expertise. This rise can be attributed to two key factors: the range of services offered by Indian VFX studios and the country's growing prominence as a hub for international film productions.

Key Services Provided

Indian VFX studios offer a comprehensive range of services that cater to the diverse needs of the global film industry. These services include:

- ***3D Modeling & Animation:*** Indian artists excel at creating high-quality 3D models of characters, creatures, and environments, bringing life to any imaginable concept.

- ***Compositing & VFX Integration:*** Indian studios are adept at seamlessly integrating VFX elements with live-action footage, ensuring a realistic and believable final product.

- ***Motion Capture & Rotoscoping:*** Studios leverage motion capture technology to create lifelike character animation, while rotoscoping allows for the precise extraction of objects from live-action footage.

- ***Pre-visualization & Concept Art:*** Indian artists play a crucial role in the pre-production phase, creating detailed storyboards and concept art that visualize the director's vision before filming commences.

These services, delivered by a skilled and talented workforce, make Indian VFX studios a compelling option for production houses worldwide.

Emergence as a VFX Hub

Several factors have contributed to India's rise as a VFX hub for international productions. Firstly, India boasts a large pool of talented and passionate VFX artists, many graduating from well-established VFX training programs. Indian Media & Entertainment industry to employ over 2 million people, with a significant portion dedicated to VFX. Secondly, Indian studios offer their services at a competitive cost compared to traditional VFX hubs like Los Angeles. This cost advantage, coupled with the high quality of work produced, makes India an attractive destination for studios worldwide. Furthermore, the Indian government has actively supported the growth of the media and entertainment sector, creating a supportive environment for VFX companies to thrive. This includes initiatives like establishing centers of excellence for animation and VFX education and offering tax breaks for VFX work done in India.

The success of Indian VFX studios is evident in their contributions to major Hollywood blockbusters. Some examples of Indian VFX studios contributions:

- ***Avengers: Endgame (2019):*** Indian studios contributed to the film's stunning visuals, including the recreation of Thanos' CGI armor and the creation of digital environments.

- ***The Jungle Book (2016):*** A large portion of the film's photorealistic animals and environments were created by Indian VFX studios.

- ***Life of Pi (2012):*** The film's Academy Award-winning visual effects, particularly the creation of the digital tiger, were heavily reliant on Indian VFX expertise.

These are just a few examples of India's growing influence in the global VFX market. With its skilled workforce, competitive pricing, and government support, India is well-positioned to solidify its position as a leading VFX hub in the years to come.

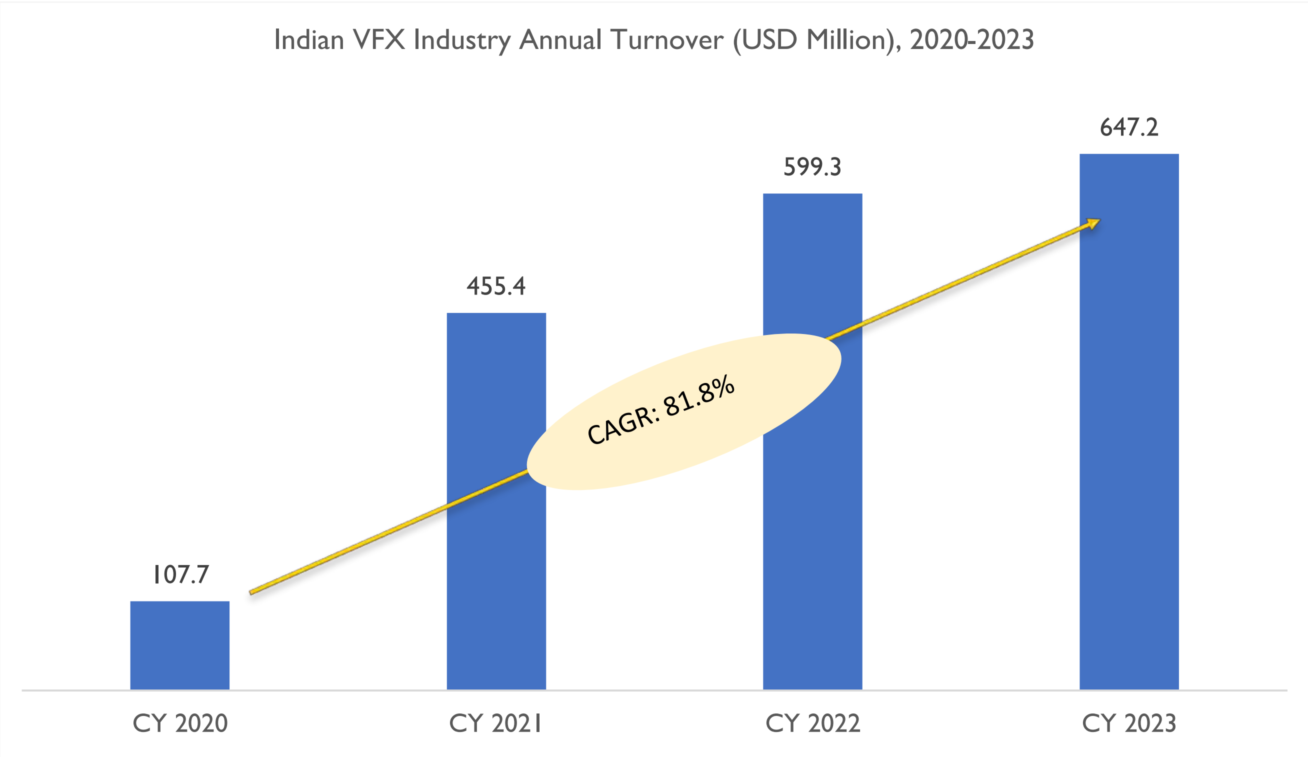
These factors have collectively propelled India to become a major player in the global VFX market. International studios are increasingly collaborating with Indian VFX houses on major blockbusters, recognizing the exceptional talent, competitive pricing, and the range of services offered.

India’s share in the Global VFX market

The global VFX market is expected to experience significant growth, with its size projected to increase from USD 84.5 billion in 2024 (estimated) to USD 184.5 billion in 2030. The Indian VFX market currently accounts for a miniscule share of less than 1% in the global VFX space. However, India is making a rapid progress and is expected to benefit from the increasing global VFX market. India’s VFX market is estimated to grow at 15.8% CAGR between CY 2024-2030 against global VFX market projected CAGR of 13.9% between CY 2024-2030 with its share expected to grow to above 1% by 2030.

Market Scenario

The Indian VFX industry is experiencing a phenomenal growth spurt, witnessing a surge in market revenue over the past few years. The market has grown exponentially, from USD 107.7 million in CY 2020 to USD 647.2 million in CY 2023, reflecting an impressive CAGR of approximately 81.8%. This translates to a staggering growth rate exceeding 500% in just three years. This remarkable rise signifies a thriving domestic market and a growing global presence for Indian VFX studios.



Source: Dun and Bradstreet Research and Estimates

Firstly, the Indian government's initiatives to promote the media and entertainment sector have created a supportive environment for VFX companies to thrive. Tax breaks, infrastructure development, and support for skill development programs have nurtured the growth of a domestic talent pool. A National Film Policy has been established, with a focus on harnessing the potential of the animation segment. This suggests a recognition of animation's importance within the broader AVGC (Animation, Visual Effect, Gaming, and Comic) landscape.

The government has committed to setting up a National Centre of Excellence for Animation, Gaming, Visual Effects and Comics in Mumbai. This centre will likely provide crucial training, resources, and infrastructure to nurture talent across all these creative sectors. To further incentivize growth, the government has unveiled a financial program offering reimbursements for VFX, animation, and post-production projects. Studios can receive up to 30% back on a minimum spend, with an additional 5% bonus for projects that incorporate significant Indian content. This financial support makes it more attractive for studios to utilize Indian services for their projects, further boosting the domestic industry.

Secondly, India boasts a large pool of skilled and well-trained VFX artists. Educational programs focused on VFX are flourishing, ensuring a steady stream of talent to meet the ever-increasing demand. This skilled workforce, coupled with competitive pricing compared to traditional VFX hubs, makes Indian studios an attractive option for international productions.

Thirdly, the surge in demand for high-quality content from streaming services like Netflix and Disney+ has benefitted the Indian VFX industry. As these platforms churn out new shows and movies, Indian studios are well-positioned to contribute their expertise in creating visually captivating content.

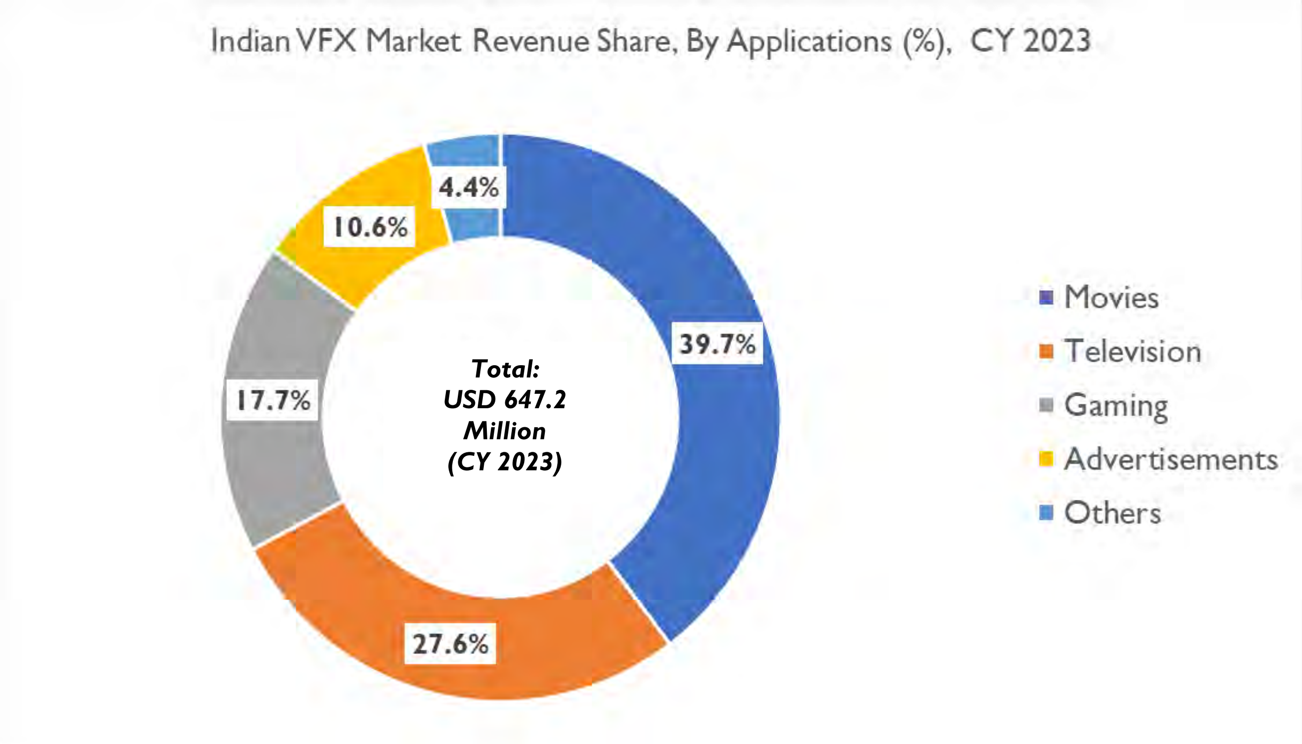
The Indian VFX industry's growth isn't limited to just domestic projects. With its competitive edge and growing talent pool, India is actively collaborating with Hollywood studios on major blockbusters. This collaborative approach is pushing the boundaries of visual effects and solidifying India's position as a prominent player in the global VFX market.

Market Segmentation

The movie segment reigns supreme, contributing a significant USD 256.9 million, or 39.7% of the total VFX market revenue in India for CY 2023. This dominance reflects the growing popularity of visually spectacular Indian cinema, particularly within genres like action, fantasy, and sci-fi. Studios are increasingly relying on VFX to create larger-than-life experiences and enhance storytelling, leading to a high demand for skilled VFX artists specifically focused on movie production.

The dominance of the movie segment in the Indian VFX industry is directly linked to the recent resurgence of Indian cinema. With a staggering 157.4 million people attending movies in 2023, a 29% increase compared to the previous year and exceeding pre-pandemic levels by 8%, there's a clear audience hunger for visually captivating experiences. This renewed interest in cinema is fuelling a significant rise in VFX budgets for Indian films.

Big-budget productions like "Brahmastra" and "RRR" are allocating a whopping 25-30% of their production costs to VFX, a testament to the growing importance of visual effects in contemporary Indian cinema. This trend perfectly aligns with the movie segment contribution capturing a significant 39.7% share of the total VFX market revenue in India for CY 2023. As audiences demand more immersive and visually spectacular experiences, Indian filmmakers are strategically utilizing VFX to enhance storytelling, create larger-than-life visuals, and ultimately, draw viewers back to the theatres. This flourishing collaboration between filmmakers and the VFX industry is propelling the movie segment to the forefront of the Indian VFX market and shaping the future of visual storytelling in Indian cinema.



Source: Dun and Bradstreet Research and Estimates

Following closely behind is the television segment, with a revenue contribution of USD 178.6 million, translating to 27.6% of the total market share. The rise of streaming platforms and high-budget television shows in India is driving the demand for VFX in this sector. Television shows are leveraging VFX to create visually captivating narratives, compete with global content, and attract viewers in a crowded entertainment landscape.

The gaming segment emerges as a strong contender, contributing USD 114.6 million, or 17.7% of the market share. The Indian mobile gaming industry is experiencing explosive growth, and developers are turning to VFX to create immersive and visually stunning gaming experiences. This trend is expected to continue as the gaming industry matures and the demand for high-fidelity games soars.

Advertising takes a respectable share of the market with USD 68.6 million and 10.6% contribution. Advertisers are leveraging VFX to create visually stunning commercials that grab viewers' attention and leave a lasting impression, especially in a competitive advertising environment.

Finally, the "Others" segment, encompassing a diverse range of applications such as architectural visualizations and educational content, contributed USD 28.5 million, representing 4.4% of the total market share.

India's burgeoning VFX landscape

India's VFX industry has undergone a remarkable transformation, expanding far beyond its initial confines of a few metropolitan cities. Once predominantly concentrated in Mumbai, Bengaluru, Pune, Hyderabad, Chennai, and Kochi, the industry has witnessed a prolific growth spurt, with studios mushrooming across the country. Mumbai continues to reign supreme as the VFX hub, boasting an impressive 600 to 700 studios. Bengaluru follows closely with around 500 studios, while Hyderabad and Pune each accommodate a substantial 300 to 400. Chennai houses approximately 300 studios, while Noida and Gurgaon have established a foothold with 150 studios apiece. Kolkata and Indore contribute with 100 studios each, and the industry's footprint extends further to Bhopal, Ahmedabad, and Kochi. This decentralized growth is further accentuated by the emergence of studios in smaller towns, signaling a democratization of the VFX sector and tapping into a wider pool of talent and resources.

Viewership Rate

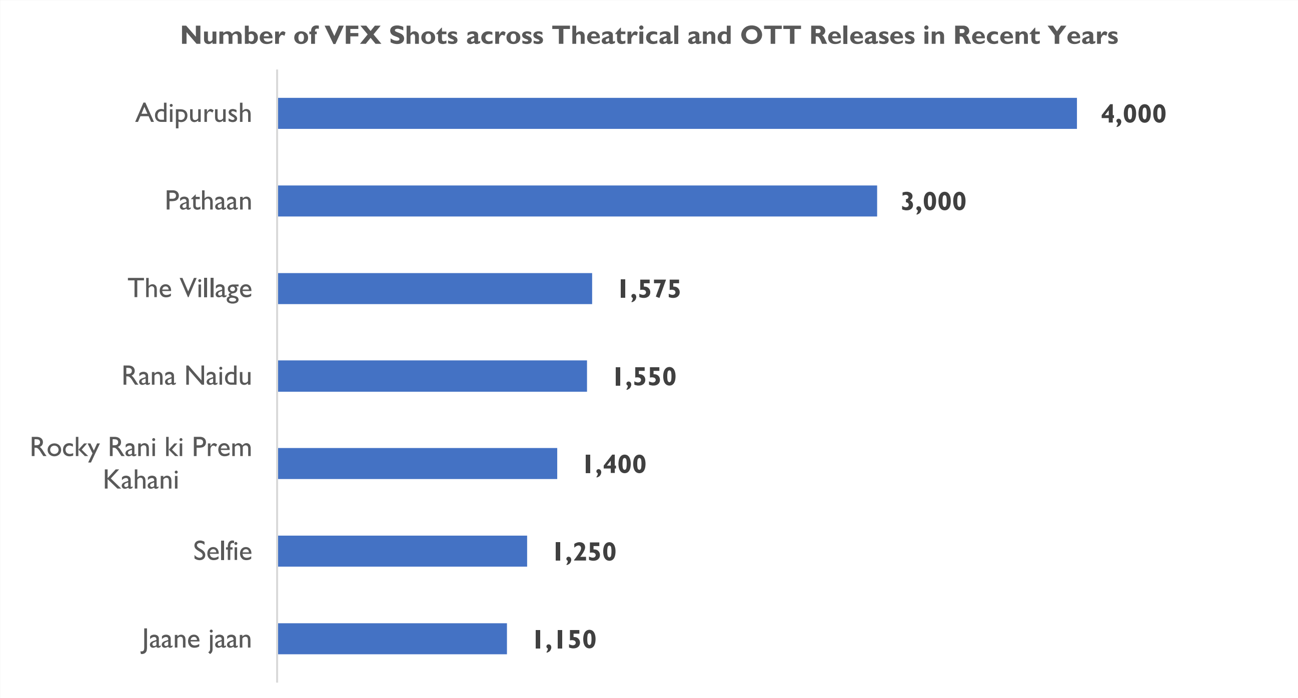
The Indian animation and VFX industry have been experiencing significant growth, with the VFX segment playing a substantial role in this expansion. The demand for VFX content is on the rise, driven by its increasing incorporation in films, OTT platforms, and advertising. This trend reflects a robust growth trajectory as VFX continues to gain prominence in various media formats.

Several factors are driving the growth of VFX content viewership in India. There is a rising global demand for high-quality visuals, accompanied by the continuous expansion of digital streaming platforms. Domestic productions are increasingly incorporating advanced VFX techniques, contributing significantly to this growth trend. Additionally, the cost-effective nature of VFX services makes it an attractive option for filmmakers and content creators looking to enhance their storytelling with visually captivating elements.

Trends indicate that audience engagement with VFX content is increasing, particularly among younger demographics such as Gen Z (Generation Z or Zoomers) and Millennials, who favour on-demand content available through streaming platforms. Films with high VFX elements, have seen substantial increases in viewership, showcasing the demand for visually captivating storytelling. While the growth outlook is promising, challenges such as piracy, limited broadband penetration in rural areas, and increasing competition from digital platforms could impact future growth. Despite these challenges, the overall trajectory remains positive, with expectations for continued expansion in viewership and production quality fuelled by advancements in technology and increasing investment in VFX across various media.

VFX usage pattern in India: adoption in India

The landscape of Indian cinema is undergoing a significant transformation, with VFX adoption becoming increasingly prevalent across theatrical and OTT releases. Starting with a moderate number of shots (1,150-1,575) in films like "Jaane Jaan," "Selfie," "Rocky Rani ki Prem Kahani," "Rana Naidu," and "The Village," the data reveals a clear upward trajectory. This suggests a growing comfort level with incorporating VFX into the filmmaking process. However, the figures for "Pathaan" (3,000 VFX shots) and "Adipurush" (4,000 VFX shots) showcase a significant leap. These numbers suggest a paradigm shift towards VFX-heavy productions in Indian cinema.



VFX adoption in Indian cinema is no longer a novelty; it's become a driving force.

- ***Beyond Spectacle:*** While creating breathtaking visuals remains a core function, VFX in Indian cinema is moving beyond just spectacle. Filmmakers are strategically using VFX to enhance storytelling, create believable environments, and add emotional depth to characters. For instance, subtle VFX techniques can be used to create a period setting or enhance a character's expressions, seamlessly integrating with the live-action footage.

- ***Genre-Bending Narratives:*** VFX is empowering Indian filmmakers to explore new narrative possibilities. Genres like sci-fi, fantasy, and mythology, which were previously limited by practical effects, are now flourishing with the help of VFX. This allows for the creation of fantastical creatures, futuristic landscapes, and other elements that were once unimaginable on screen.

- ***Regional Language Integration:*** The rise of VFX is not limited to mainstream Hindi cinema. Regional language films are increasingly incorporating VFX to cater to their local audiences. This not only elevates the production value but also allows filmmakers to explore regional myths and folklore in a visually captivating way.

- ***Cost-Effective Storytelling:*** VFX can sometimes be a more cost-effective way to achieve certain visuals compared to traditional methods. For example, creating a complex action sequence through VFX might be more affordable than filming it with practical effects and stunts. This allows filmmakers to stretch their budgets further and achieve their creative vision.

- ***Evolving Audience Preferences:*** Modern Indian audiences are increasingly drawn to visually spectacular experiences. The success of VFX-heavy films like "Baahubali" franchise and "2.0" demonstrates the audience appetite for visually stunning narratives. This shift in audience preference is pushing filmmakers to embrace VFX as a crucial storytelling tool.

Adoption by streaming platform

The Indian streaming landscape is witnessing a paradigm shift in the adoption of VFX. Previously, budget constraints often limited the use of visual effects in web series and online content. However, a confluence of factors is driving streaming platforms to embrace VFX with increasing openness and expanding budgets.

Firstly, the growing popularity of Indian streaming platforms has fueled competition for viewers. Platforms like Netflix, Disney+ Hotstar, and Amazon Prime Video are vying for audience attention with a constant stream of original content. To stand out, these platforms are recognizing the power of visually captivating content. VFX can elevate the production value of web series, allowing for the creation of immersive worlds, fantastical creatures, and visually stunning action sequences. This enhanced visual spectacle helps these shows compete with global content and attract a wider audience base.

With the promise of wider viewership and lucrative deals, Indian streaming platforms are increasingly greenlighting projects with larger budgets dedicated to VFX. This has led to a growing demand for skilled VFX artists and studios within the country. Recognizing this opportunity, several VFX studios have sprouted up in India, catering specifically to the needs of streaming platforms. These studios offer competitive pricing while maintaining high-quality standards, making them an attractive option for platforms looking to stretch their production budgets further.

This influx of streaming platforms and the rise of domestic VFX studios have created a positive feedback loop. Streaming platforms are driving the demand for VFX-heavy content, leading to the growth of VFX studios. In turn, these studios are providing the expertise and resources necessary to create visually stunning content that keeps viewers glued to their screens. This collaborative environment is fostering innovation and pushing the boundaries of VFX in Indian streaming productions.

Secondly, the success of VFX-heavy Indian web series has demonstrated its potential to drive viewership. Shows like "The Family Man" (Amazon Prime Video) and "Sacred Games" (Netflix) have garnered critical acclaim and audience praise for their exceptional use of VFX. This success story underscores the power of VFX in creating compelling narratives that resonate with viewers, ultimately leading to higher subscription rates and platform loyalty.

Thirdly, the Indian VFX industry's growth and competitive pricing make it an attractive option for streaming platforms. The availability of skilled VFX artists and studios offering high-quality services at reasonable costs allows platforms to invest in visual effects without breaking the bank. This accessibility empowers streaming services to experiment with VFX and explore its potential in a cost-effective manner.

Finally, the evolving tastes of Indian audiences are playing a crucial role. As viewers become accustomed to the high production values and stunning visuals of global streaming content, their expectations for Indian web series are rising. Streaming platforms are responding to this demand by allocating larger budgets to VFX, allowing for a more visually polished and immersive viewing experience.

Demand and Supply Scenario of VFX content

The demand and supply dynamics of VFX content in India reflect the industry's rapid growth and transformation. As the entertainment landscape continues to evolve, both the demand for and supply of VFX content have witnessed significant changes driven by various factors.

The demand for VFX content in India is primarily driven by the burgeoning entertainment sector, which includes films, television, and the increasingly popular OTT platforms. Indian audiences are showing a strong preference for high-quality, visually appealing content, leading filmmakers, and content creators to incorporate advanced VFX techniques into their projects. This demand is further fuelled by the success of visually stunning films.

In addition to the film industry, other sectors such as advertising, gaming, and virtual reality are increasingly utilizing VFX to enhance the user experience. The global reach of Indian content has also spurred demand, with international audiences appreciating the quality and creativity of Indian VFX work. As digital consumption continues to rise, the demand for VFX content is expected to grow, particularly among younger audiences who favour on-demand and interactive content.

India has emerged as a significant hub for VFX production, with numerous studios providing high-quality services at competitive prices. The country's VFX industry benefits from a large pool of talented artists and technicians skilled in the latest technologies. Indian studios are not only catering to domestic demand but are also attracting international projects, thanks to their reputation for delivering cost-effective and innovative VFX solutions.

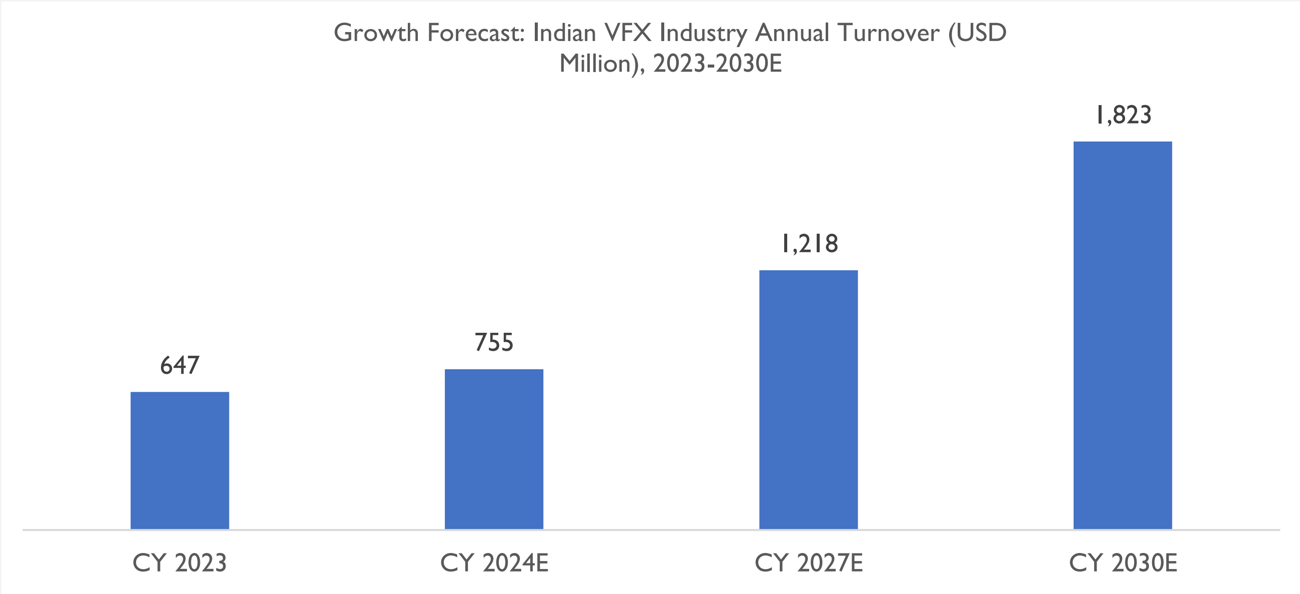
The growth of the VFX industry is supported by various government initiatives aimed at boosting the animation and VFX sector. Initiatives such as the National Centre of Excellence for Animation, Visual Effects, Gaming, and Comics (NCoE) and the Make in India campaign have encouraged investment in infrastructure and skill development, further enhancing the supply capabilities of the industry.

While the demand for VFX content continues to rise, the industry faces challenges in balancing supply. The rapid pace of technological advancement requires continuous upskilling of the workforce to meet the evolving demands of the market. Additionally, issues such as piracy and limited access to advanced technologies in certain regions can impact the supply chain.

Despite these challenges, the Indian VFX industry is well-positioned to meet the growing demand for high-quality content. With ongoing investments in technology, talent development, and infrastructure, the industry is poised to continue its upward trajectory, solidifying India's position as a global leader in VFX production. The balance between demand and supply is expected to stabilize as the industry matures, driven by innovation and a commitment to excellence in visual storytelling.

Growth Forecast

The Indian VFX industry is poised for a remarkable trajectory, with market revenue expected to surge in the coming years. The market is projected to nearly triple in size, jumping from USD 647 million in CY 2023 to a staggering USD 1,823 million by CY 2030. This translates to a CAGR exceeding 15.9%, signifying a booming industry fuelled by several key factors.



Source: Dun and Bradstreet Research and Estimates

India's burgeoning middle class boasts a growing disposable income, leading to increased spending on entertainment experiences. This translates to a higher demand for visually captivating content, propelling the demand for VFX-heavy films, television shows, and video games within the domestic market. The Indian OTT market is experiencing explosive growth, with platforms like Netflix and Disney+ Hotstar vying for viewers. These platforms require a steady stream of high-quality, visually engaging content to compete effectively. Indian VFX studios can cater to this demand by creating visually stunning experiences for domestic audiences, further fuelling market growth.

One major driver is the ongoing resurgence of the Indian film industry. As moviegoing flourishes and audiences demand visually spectacular experiences, filmmakers are increasingly relying on VFX to create captivating narratives and larger-than-life visuals. This spurs a continuous rise in VFX budgets for Indian films, further propelling the VFX industry. Regional language cinema in India is also experiencing a renaissance. Filmmakers are increasingly utilizing VFX to enhance storytelling and create visually spectacular experiences that resonate with regional audiences. This trend is expected to continue, propelling the demand for VFX talent and expertise catered to diverse regional markets.

Beyond domestic productions, India's VFX prowess is attracting international collaborations. Studios are drawn to India's competitive pricing, skilled workforce, and government support for the industry. This collaborative approach with Hollywood and other international players exposes Indian VFX studios to cutting-edge technologies and workflows, further enhancing their capabilities.

The growth story extends beyond movies. The Indian gaming industry is experiencing explosive growth, and VFX plays a crucial role in crafting immersive gaming experiences. The rise of streaming services also fuels demand for VFX-laden television shows and web series. These factors, coupled with the potential of emerging technologies like virtual reality and augmented reality, create a diverse landscape for future VFX growth.

The Indian government also plays a significant role. Initiatives like the National Film Policy and the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics aim to nurture talent, provide infrastructure, and incentivize studios to utilize Indian VFX services. This government support creates a favorable environment for the industry to flourish.

Access of VFX technology

The access to VFX technology in India has evolved significantly over the past few years, with advancements that have reshaped the capabilities and output of the Indian VFX industry. This progress has been fuelled by technological innovations, investments, and a growing talent pool. Looking ahead, the future of VFX technology in India is poised for even greater transformation.

Current Access to VFX Technology

- Advanced Software and Tools: Indian studios have access to industry-standard software such as Autodesk Maya, Adobe After Effects, and Foundry's Nuke. These tools enable the creation of high-quality visual effects, animation, and CGI, which are now integral to Indian filmmaking.

- State-of-the-Art Studios: India is home to several state-of-the-art VFX studios such as Red Chillies VFX, DNEG (Double Negative) India, and Prana Studios. These studios boast cutting-edge technology and infrastructure, allowing them to undertake complex projects and collaborate on international films.

- Global Collaborations: Indian VFX companies are increasingly collaborating with international studios, gaining access to global expertise and advanced technologies. Such collaborations enhance the skills of Indian artists and elevate the quality of VFX work in Indian cinema.

- Government Support and Initiatives: Initiatives such as Make in India and the National Centre of Excellence for Animation, Visual Effects, Gaming, and Comics (NCoE) provide support in terms of training, infrastructure, and financial incentives, bolstering the growth and technological advancement of the VFX industry.

- Increased Demand in Indian Cinema: The demand for high-quality VFX in Indian cinema has grown, driven by blockbuster films such as "Baahubali," "2.0," and "RRR," which have set new standards for visual storytelling. This demand has pushed studios to adopt the latest technologies and techniques.

Prospects of VFX Technology Access

- Emerging Technologies: The integration of emerging technologies such as Artificial Intelligence (AI), Machine Learning (ML), Virtual Reality (VR), and Augmented Reality (AR) is expected to revolutionize the VFX industry. These technologies will enable more efficient workflows, realistic effects, and immersive experiences.

- Expansion of Training and Education: As the industry grows, there will be a greater emphasis on training and education to build a skilled workforce. Institutions and programs focused on VFX, animation, and digital arts are likely to expand, offering specialized courses and certifications.

- Increased International Collaborations: Future collaborations with international studios will continue to drive technological advancements and bring global expertise to Indian shores. This trend will enhance the capabilities of Indian VFX studios and expand their reach in global markets.

- Focus on Sustainable Practices: With growing awareness of environmental issues, there will be a shift towards sustainable practices in VFX production. Studios may adopt eco-friendly technologies and workflows to minimize their carbon footprint.

- Growth of the OTT and Gaming Sectors: The rise of OTT platforms and the gaming industry in India presents new opportunities for VFX technology. As demand for high-quality content increases, VFX will play a crucial role in creating engaging and visually appealing content across these platforms.

- The access to VFX technology in India has seen remarkable growth, transformed the industry and enabled it to compete on a global scale. With continued advancements in technology, increased international collaborations, and government support, the future of VFX in India looks promising. The integration of emerging technologies and a focus on skill development will further enhance the industry's capabilities, opening new possibilities for creativity and innovation. As the demand for high-quality visual content grows, India's VFX industry is well-positioned to thrive in the coming years.

Research & Development in VFX Industry

Research and Development (R&D) is a critical component in the VFX industry, driving innovation and improving production workflows. By focusing on new techniques, tools, and software tailored specifically for VFX projects, companies can enhance their operational efficiencies and creative outputs. Ongoing investment in R&D enables studios to stay competitive in a rapidly evolving technological landscape, ensuring they can meet both client expectations and industry standards.

- ***Advancements in Technology:*** Recent advancements in VFX technologies stem largely from dedicated R&D activities. These include the development of real-time rendering capabilities which enable filmmakers to visualize complex scenes instantly, as well as the integration of AI tools that automate routine processes and enhance overall creativity. Innovations, such as cloud-based workflows, have also emerged from R&D efforts, allowing studios to collaborate and scale resources efficiently.

- ***Collaboration Between Studios and Tech Companies:*** Collaboration between VFX studios and technology firms plays a pivotal role in R&D efforts. Such partnerships aim to integrate advanced technologies, including artificial intelligence (AI) and machine learning (ML), into VFX pipelines. This collaborative approach allows for the exploration of new workflows that significantly improve efficiency and creative possibilities within visual effects production.

- ***Future Trends and Growth Areas:*** The future of R&D in the VFX industry appears promising, particularly with the ongoing integration of AI and ML technologies. These advancements are expected to revolutionize workflows further, aiding in the automation of repetitive tasks, thereby allowing artists to focus on higher-level creative work. Additionally, the rise of VR and AR technologies is likely to expand the creative avenues for VFX, presenting new opportunities for immersive storytelling.

- **Training and Skill Development:** To complement R&D, there is an increased emphasis on training professionals within the VFX sector. Educational institutions are aligning their curricula with industry needs, collaborating directly with studios to ensure that upcoming talent is proficient in the latest tools and techniques. This initiative is vital for sustaining future innovation and maintaining skilled expertise in the rapidly evolving VFX landscape.

Emerging Trends & Challenges

Trends

Technology developments

The Rise of Real-Time Rendering

Traditionally, rendering VFX elements has been a painstaking process, often taking hours or even days to generate a single frame. This time-consuming nature can hinder creative exploration and slow down production cycles. However, the rise of real-time rendering technology promises a paradigm shift. Advanced engines like Unreal Engine and Unity are constantly evolving, allowing artists to see the final visuals instantly as they work. This real-time feedback loop empowers artists to experiment with different approaches, iterate quickly on ideas, and achieve a more efficient workflow.

Impact
Real-time rendering has the potential to significantly accelerate VFX production pipelines. Studios can explore more creative possibilities without the constraints of lengthy rendering times. This can lead to a higher quality of VFX work in shorter timeframes, allowing filmmakers to meet tight deadlines and potentially reduce overall production costs.

Virtual Production: Blurring the Lines Between Reality and Imagination

Virtual production (VP) is emerging as a game-changer, transforming the way movies and shows are filmed. This technology utilizes LED (Light emitting diode) walls and real-time rendering to create immersive virtual environments on set. Actors can interact with these digital landscapes in real-time, leading to more nuanced performances and emotions. VP also eliminates the need for extensive green screen work in post-production, saving time and resources.

Impact
Virtual production offers several advantages. Firstly, it allows for more realistic and dynamic environments, limited only by an artist's imagination. Secondly, the ability for actors to react directly to virtual elements fosters more natural performances. Finally, VP streamlines the filmmaking process, potentially reducing reliance on expensive location shoots and simplifying post-production workflows.

AI and Machine Learning: Empowering Artists, Not Replacing Them

Artificial Intelligence (AI) and Machine Learning (ML) are poised to become valuable tools in the VFX artist's arsenal. These technologies can automate tedious tasks that consume valuable time, such as rotoscoping (isolating objects from footage) and motion tracking. Additionally, AI can assist in generating realistic textures and environments, and even contribute to character animation.

Impact
By automating repetitive tasks, AI and ML free up VFX artists to focus on the more creative aspects of their work, like concept design, animation refinement, and overall visual storytelling. This can lead to a more efficient workflow and potentially allow studios to take on more projects or dedicate more resources to creative exploration. However, it's important to remember that AI is not meant to replace artists. Instead, it should be seen as a collaborative tool that empowers artists to achieve their creative vision with greater efficiency and precision.

The Cloud Revolution: Collaboration Without Borders

Cloud-based solutions are transforming the way VFX studios collaborate and manage complex data. The cloud offers tremendous scalability and remote access capabilities. This allows geographically dispersed teams to work seamlessly together on projects, fostering creative collaboration without physical limitations. Additionally, the cloud's immense storage capacity can handle large datasets efficiently, eliminating the need for expensive on-site infrastructure.

Impact
The cloud revolutionizes collaboration in the VFX industry. Studios can now assemble the best talent from around the world, regardless of location. This global talent pool fosters innovation and allows studios to access a wider range of skillsets for diverse projects. Furthermore, the cloud's scalability ensures studios can handle projects of any size while optimizing resource allocation.

Human-Machine Collaboration: The Future of VFX

The ideal scenario for the future of VFX is not about machines replacing artists, but rather humans and AI working collaboratively. Artists will leverage the power of AI tools to streamline workflows, automate tedious tasks, and enhance their creative vision. This will allow artists to focus on the aspects of VFX that require human touch, such as storytelling, emotional nuance, and artistic interpretation.

Impact
Human-machine collaboration will ultimately lead to a higher output of high-quality VFX work. Artists will be empowered to create even more visually stunning and emotionally engaging experiences for audiences. This collaboration will not only accelerate production cycles but also push the boundaries of what's possible in the realm of visual storytelling.

Changing demand from motion picture industry

Parameter	Overview
The Rise of Episodic Content and Streaming Platforms	Streaming platforms like Netflix and Disney+ are producing a vast amount of high-quality episodic content. This surge in demand for visually captivating shows is driving the need for VFX across a wider range of genres, from fantasy and sci-fi to historical dramas and even comedies. VFX studios will need to adapt to this changing landscape by developing expertise in creating sustained visual effects for longer-form narratives.
Interactive Storytelling and Immersive Experiences	The boundaries between traditional filmmaking and interactive experiences are blurring. Technologies like virtual reality (VR) and augmented reality (AR) are opening up new avenues for storytelling that incorporate VFX in innovative ways. VFX studios will need to adapt their skillsets to create visuals that not only look stunning but also function seamlessly within interactive environments.
The Need for Emotional Resonance	While creating visually spectacular experiences remains important, the VFX industry is moving beyond just spectacle. Motion picture studios are increasingly demanding VFX that enhances storytelling and evokes emotional responses from audiences. This requires VFX artists to have a deeper understanding of character development, narrative flow, and the subtle nuances of human emotion.
Demand for Cost-Effective and Efficient Solutions	The pressure to deliver high-quality VFX within budget constraints remains a constant challenge. Studios will be looking for VFX studios that can offer efficient workflows and cost-effective solutions, particularly for episodic content with longer running times. This may lead to a rise in automation tools and the strategic use of AI to optimize production pipelines.

Focus on Global Audiences	The global reach of streaming platforms has opened up new markets for the motion picture industry. To cater to these diverse audiences, VFX studios will need to be culturally sensitive and create visuals that resonate with viewers from different backgrounds. This may involve incorporating elements of local folklore or mythology into VFX design.

VFX Beyond Entertainment: Emergence of New Consumer Segments

The Indian VFX industry has traditionally catered to the entertainment sector, creating visually stunning experiences for movies, television shows, and streaming content. However, the potential of VFX is rapidly expanding beyond entertainment, with new consumer segments emerging that are embracing the power of visual effects.

Revolutionizing Education with Edtech (Education Technology)

The Edtech sector is witnessing a surge in India, and VFX is playing a crucial role in creating engaging and interactive learning experiences. Such as exploring the human body through immersive 3D models or visualizing complex scientific concepts through animated simulations. VFX has the power to transform dry textbooks into captivating experiences, fostering a deeper understanding and a more engaging learning environment.

VFX in Healthcare: Enhancing Medical Practices and Patient Care

The medical field is recognizing the immense value proposition of VFX. 3D modeling and animation can be used to create incredibly realistic anatomical simulations. These simulations provide surgeons with a safe and controlled environment to practice complex procedures before operating on real patients. This not only enhances surgical precision but also improves patient outcomes. Furthermore, VFX can be employed to develop virtual reality (VR) experiences that can be used for various purposes. For instance, VR can be used for phobia therapy, allowing patients to confront their fears in a safe virtual environment. Additionally, VR can be used for patient education, providing a more interactive way for patients to understand their conditions and treatment options. VR experiences can even be used for post-surgical rehabilitation, helping patients recover faster and more effectively.

Transforming Design with VFX: Shaping the Future of Architecture and Interiors

The world of architecture and design is also being transformed by VFX. Architects can now utilize 3D rendering and animation to create virtual tours of unbuilt structures. These virtual tours allow clients to experience their dream spaces before a single brick is laid. This not only fosters better communication between architects and clients but also helps clients make informed decisions before construction begins. Similarly, interior designers can leverage VFX to create photorealistic mockups of different design layouts. These mock-ups allow clients to visualize the look and feel of their space with various design options. This empowers clients to make well-informed choices about their interior design plans, leading to a more satisfying result.

The emergence of these new consumer segments presents exciting opportunities for the Indian VFX industry. By catering to these diverse needs, VFX studios can tap into new revenue streams and further solidify their position as a global leader in visual effects. Furthermore, this diversification will not only benefit these new sectors but also contribute to advancements in VFX technology as studios develop innovative solutions to meet the unique challenges of these emerging applications.

Challenges

Talent crunch & its impact

The Indian VFX industry is experiencing a golden age, fueled by a booming market and exciting technological advancements. However, amidst this growth, a significant challenge threatens to impede progress: the talent crunch. The surging demand for skilled VFX artists is outpacing the current talent pool, creating a bottleneck in project execution with potential ramifications across the industry.

Demand Outpaces Supply:

The rapid growth of the Indian VFX market has created a ravenous appetite for skilled artists. Studios require individuals with expertise in various specializations, including 3D animation, compositing, rotoscoping, and a range of other VFX techniques. However, educational institutions and training programs haven't been able to adapt to this exponential growth.

Traditional curriculum development cycles struggle to keep pace with the ever-evolving needs of the industry, leading to a shortage of artists with the necessary skillsets.

Impact:

This lack of qualified talent can significantly hinder project delivery timelines. Studios might struggle to find the right artists for specific projects, leading to delays in meeting deadlines and potentially jeopardizing production schedules. Furthermore, the pressure to fill these vacant positions can drive up salaries across the board, impacting production budgets and potentially squeezing profit margins for studios.

Global Competition for Talent:

The Indian VFX industry is no longer operating in isolation. Studios are now competing with established VFX hubs like Los Angeles and Vancouver for a limited pool of global talent. While India offers competitive pricing, these established hubs may hold an edge in terms of salaries and career progression opportunities. This can be particularly enticing for top-tier artists, potentially drawing them away from the Indian market.

Impact:

The global competition for talent can lead to a brain drain of skilled artists from India. This not only hinders the growth of domestic expertise but also weakens the overall talent pool available to Indian studios. Studios might be forced to compromise on the skill level of hired artists, potentially impacting the quality of their VFX work.

The talent crunch presents a significant challenge for the Indian VFX industry. However, by focusing on upskilling initiatives, employee retention strategies, and exploring collaborative solutions, the industry can overcome this hurdle and ensure its continued success on the global stage.

Regulatory Landscape

The Indian VFX industry operates under a regulatory framework that ensures compliance with national and international standards. Key areas include Censorship and Content Guidelines by the Central Board of Film Certification (CBFC), which regulate content for films, Television (TV), and digital platforms. Employment and Labor Laws ensure fair treatment and protection for employees, while Data Protection and Privacy laws, such as the Information Technology Act, 2000, safeguard sensitive information. Additionally, Environmental Regulations encourage sustainable practices, such as energy-efficient operations and waste management, to minimize environmental impact.

In India, the VFX industry is supported and regulated by several bodies and initiatives that aim to foster growth, ensure compliance with industry standards, and promote innovation.

Regulatory Bodies

Name of the Body	Function
Central Board of Film Certification (CBFC)	The CBFC is responsible for regulating the content of films, including those with VFX, to ensure they meet censorship and certification standards before public release.
Ministry of Information and Broadcasting (MIB)	This government ministry oversees the film and television industry in India, including policies and regulations related to content creation and distribution.
National Association of Software and Service Companies (NASSCOM)	NASSCOM is a trade association for the Indian IT and business process outsourcing industries, which includes VFX. It works to promote growth, innovation, and competitiveness in the sector.
Ministry of Electronics and Information Technology (MeitY)	MeitY is responsible for digital infrastructure and policies that impact the technology used in the VFX industry, including data protection and digital innovation.
Film Federation of India (FFI)	FFI works to promote and develop the film industry in India, providing a platform for VFX studios to engage with filmmakers and other stakeholders.

Government Initiatives

Skill India Initiative

Launched on July 15, 2015, the Skill India Initiative is a government program focused on enhancing skills across various sectors, including the VFX industry. By providing vocational training programs, the initiative aims to create a skilled workforce capable of meeting the demands of the rapidly evolving VFX sector. Skill India has significantly contributed to increasing employability and productivity by training thousands of individuals in creative and technical skills. This initiative helps bridge the skill gap and ensures a steady supply of skilled artists, thereby supporting the industry's growth and development.

Make in India

Launched on September 25, 2014, Make in India is an initiative designed to promote the growth of the domestic VFX industry by encouraging local production and investment in creative sectors. This program has led to the establishment of new studios and facilities, bolstering the domestic industry and attracting foreign projects and collaborations. As a result, India's share in the global VFX market has increased, enhancing the industry's competitiveness and encouraging innovation and investment in the creative economy.

Film Facilitation Office (FFO)

Established in 2015, the Film Facilitation Office (FFO) aims to promote India as a destination for film production, benefiting the VFX industry by facilitating international co-productions and collaborations. The FFO provides a single-window clearance system for filmmakers, streamlining the process of shooting in India and making it an attractive destination for film production and post-production work. This initiative has increased international collaborations, driving growth in the VFX industry and expanding its reach in the global market.

Animation, Visual Effects, Gaming and Comics (AVGC) Task Force

Announced in the Union Budget of 2022-23, the Animation, Visual Effects, Gaming and Comics (AVGC) Task Force was formed by the Indian government to recommend strategies for boosting the AVGC sector. This task force focuses on policy formulation, skill development, and creating a favourable ecosystem for growth. By making recommendations to drive future policies and initiatives, the task force aims to support the VFX industry's expansion, enhancing its global positioning and ensuring sustainable development in the sector.

Digital India Initiative

Launched on July 1, 2015, the Digital India Initiative aims to transform India into a digitally empowered society, significantly impacting the VFX industry by enhancing digital infrastructure and promoting the use of advanced technologies. This initiative has facilitated better connectivity and access to digital tools, enabling studios to adopt cutting-edge techniques and improve production quality. By supporting technological advancement, Digital India has played a crucial role in enhancing the capabilities of the VFX industry and strengthening its position in the global market.

IP rights regulation of VFX

Intellectual Property (IP) rights play a crucial role in protecting the interests of creators, studios, and other stakeholders in the VFX industry. In India, IP rights regulation for the VFX industry encompasses several aspects to safeguard creative works and ensure fair use. The framework for IP rights encompasses several key areas:

Key Aspects of IP Rights Regulation in the VFX Industry

Copyright Law	
Protection Scope	Under the Copyright Act of 1957, India's copyright law safeguards original works of authorship, encompassing visual effects. This protection covers both the artistic and technical aspects of VFX, including designs, animations, and CGI elements.
Rights Granted	Creators of VFX are granted exclusive rights to reproduce, distribute, perform, and display their works. This ensures that VFX studios and artists retain control over the use and dissemination of their creative outputs.
Duration and Registration	Copyright protection in India lasts for the lifetime of the author plus 60 years. While copyright protection is automatic, registration with the Copyright Office can provide legal advantages in disputes and enforcement.
Trademarks	
Protection Scope	Trademarks protect symbols, logos, and names used in the VFX industry, such as studio names, branding, and product names. This helps in distinguishing services and products in the marketplace.

Registration and Enforcement	Trademarks are registered with the Trademark Registry under the Trademarks Act, 1999. Registration provides exclusive rights to use the mark and prevents unauthorized use by others. Enforcement can include legal action against infringement or dilution of the trademark.
Patents	
Protection Scope	Patents may protect innovative technological processes or inventions used in the VFX industry, such as new methods of rendering or compositing. However, patents are less common in VFX compared to copyright and trademarks.
Registration	Patents are granted under the Patents Act, 1970 and require a formal application process. Patent protection typically lasts for 20 years from the filing date.
Design Rights	
Protection Scope	The Design Act, 2000 provides protection for the aesthetic aspects of a design, including the visual appearance of VFX elements if they are new and original. This can cover graphical user interfaces or unique visual styles used in digital content.
Registration	Design protection is achieved through registration with the Design Office, and the rights last for 10 years, with a possible extension of 5 years.
Contractual Agreements	
Importance	Contracts play a critical role in IP rights regulation for the VFX industry. Agreements between studios, artists, and clients should clearly define IP ownership, usage rights, and compensation.
Types	Typical contracts include work-for-hire agreements, which ensure that the studio or client owns the IP rights to the VFX created, and licensing agreements, which grant permission for specific uses of the IP.
Enforcement and Dispute Resolution	
Mechanisms	IP rights enforcement involves legal measures to address infringement, which can include civil suits, cease-and-desist orders, and claims for damages. The IP Tribunal and Civil Courts are responsible for adjudicating IP disputes.
Challenges	Enforcement can be challenging due to issues such as piracy, unauthorized distribution, and lack of awareness among stakeholders. Industry bodies and associations often play a role in advocacy and education to support IP rights.
Digital Rights Management (DRM)	
Emergence	With the rise of digital content distribution, DRM technologies are increasingly used to protect VFX content from unauthorized use and piracy.
Implementation	DRM tools help in controlling access, monitoring usage, and ensuring compliance with licensing agreements
Global Harmonization	
Alignment	India has been aligning its IP regulations with international standards, such as those set by the World Intellectual Property Organization (WIPO), to facilitate global protection and enforcement of VFX-related IP.

Competitive Landscape

The Indian VFX industry is not a monolithic entity, but rather a dynamic ecosystem with a fragmented structure. Numerous studios, both large and small, compete for a share of the market. This fragmentation fosters innovation as studios specialize in certain niches or cater to specific budget ranges. However, collaboration is also a key aspect of the competitive landscape. Studios often partner on large projects, leveraging each other's strengths and expertise.

Several key factors shape competition in this dynamic market. Talent availability is crucial, with studios vying for skilled artists across various VFX specializations. Studios also compete on the basis of pricing, with India offering a cost-effective advantage compared to established VFX hubs. Additionally, the ability to deliver high-quality work consistently and meet tight deadlines is essential for attracting and retaining clients.

The competitive landscape is further intensified by the presence of global VFX giants. Companies like Weta Digital (New Zealand), Framestore (France), and Industrial Light & Magic (USA) possess immense resources, experience, and a proven track record of delivering cutting-edge visual effects. These studios often compete for major Hollywood blockbusters, but they may also collaborate with Indian studios on specific projects, leveraging India's cost advantage and talent pool.

However, Indian VFX studios are not merely subcontractors. Domestic players like, Prime Focus, Digikore Studios and DNEG India are carving their niche in the global market. These studios are actively involved in major Hollywood productions, contributing their expertise to films like Dune and The Jungle Book. Additionally, they cater to the growing demand for VFX within the Indian film industry itself.

The fragmented structure of the Indian VFX industry, coupled with the presence of both global giants and domestic players, creates a competitive yet collaborative environment. This fosters innovation, cost-effectiveness, and a skilled workforce, all of which are crucial for the Indian VFX industry to maintain its edge and solidify its position as a major player on the global stage.

Key Players Profiling

Global Players

Weta Digital (New Zealand)	
	Company Profile: Founded in 1993 by Peter Jackson, Richard Taylor, and Jamie Selkirk, Weta Digital now Weta FX (Effects) is a New Zealand-based visual effects (VFX) and animation studio. Renowned for its groundbreaking work in creating lifelike characters and environments, Weta FX has established as a known brand in the global VFX industry.
	Services Provided: ***Pre-visualization:*** Weta FX creates detailed storyboards and animatics to help filmmakers visualize scenes before filming begins. This allows for better planning and cost-efficiency. Animation: From creating realistic characters to complex creatures and environments, Weta FX offers a full spectrum of animation services. Their expertise includes character rigging, animation, and fur and cloth simulation. ***Performance Capture:*** Weta FX utilizes advanced technology to capture an actor's performance and translate it into digital animation. This allows for incredibly realistic and nuanced character portrayals. ***Simulation:*** From fire and water simulations to complex particle effects, Weta FX employs sophisticated simulation techniques to create believable and immersive visuals. ***Compositing:*** The process of seamlessly blending computer-generated elements with live-action footage is a Weta FX specialty. Their compositing artists ensure a cohesive visual experience for audiences. ***Modeling and Rendering:*** Weta FX creates intricate 3D models of characters, creatures, and environments. Their powerful rendering technology brings these models to life with stunning detail and realism.
	Expertise: ***Character Creation:*** Weta FX is renowned for its ability to create incredibly realistic and lifelike characters. They have pushed the boundaries of what's possible in CGI, bringing iconic characters like Gollum, King Kong, and Neytiri to life on the big screen. ***Creature Design:*** From fantastical creatures to grounded animals, Weta FX possesses expertise in designing and animating believable creatures that seamlessly integrate into the film's world. ***Environments:*** Whether it's Middle-earth, Pandora, or a futuristic cityscape, Weta FX excels at creating vast and immersive environments that transport audiences into the story. ***Technical Innovation:*** Weta FX is constantly developing and pushing the boundaries of VFX technology. Their proprietary software tools and techniques allow them to achieve groundbreaking visual effects.
	Use Cases / Projects:

	Weta FX's work can be seen in a wide range of films, from fantasy and science fiction epics to historical dramas and comedies. Some notable examples: ***The Lord of the Rings Trilogy (2001-2003):*** Weta FX's groundbreaking work on this trilogy redefined what was possible in fantasy filmmaking. They created iconic creatures like Gollum and the Balrog, and brought the world of Middle-earth to life in stunning detail. ***Avatar (2009):*** Weta FX played a pivotal role in creating the visually stunning world of Pandora and the Na'vi characters. Their advancements in performance capture and 3D animation helped to revolutionize the way VFX is used in filmmaking. ***King Kong (2005):*** Weta FX brought the legendary ape back to life with a photorealistic CGI portrayal that redefined creature animation. ***The Jungle Book (2016):*** Weta FX seamlessly blended live-action performances with CGI animals to create a visually stunning and heartwarming adaptation of the classic Disney tale. ***Avengers: Endgame (2019):*** Weta FX contributed their expertise to the epic culmination of the Marvel Cinematic Universe, creating impressive visual effects for some of the film's most action-packed sequences.

Framestore (France)	
	Company Profile: Founded in 1986 by William Sargent and Sharon Reed, Framestore is a French animation and visual effects (VFX) studio with a global presence. Renowned for its expertise across a wide range of VFX disciplines, Framestore has established itself in the industry, contributing to countless Hollywood blockbusters and critically acclaimed films.
	Services Provided: ***Pre-visualization:*** Framestore creates detailed storyboards and animatics to help filmmakers visualize scenes before filming begins. This allows for better planning, cost-efficiency, and creative exploration. ***Concept Art & Design:*** From initial character sketches to elaborate environment design, Framestore's concept artists help bring a film's visual identity to life. ***Character Animation:*** The studio offers a full spectrum of animation services, from creating realistic human characters to fantastical creatures. Their expertise includes character rigging, animation, and fur and cloth simulation. ***Creature Design & Animation:*** Framestore's artists excel at designing and animating believable creatures, seamlessly integrating them into the film's world. ***VFX Simulation:*** From fire and water simulations to complex particle effects, Framestore employs sophisticated simulation techniques to create realistic and immersive visuals. ***Compositing:*** The seamless integration of computer-generated elements with live-action footage is a Framestore specialty. Their compositing artists ensure a cohesive and believable visual experience for audiences. ***Virtual Production:*** Framestore is embracing cutting-edge technologies like virtual production, utilizing LED walls and real-time rendering to create immersive environments on set. ***Post-Production:*** Framestore offers comprehensive post-production services, including color grading, visual effects editing, and final film mastering.
	Expertise: ***VFX for Film & Advertising:*** Framestore possesses a diverse skillset applicable to both feature films and high-end commercials.

	Character Animation: The studio has a strong reputation for creating lifelike and expressive characters, as seen in films like "Paddington" and "Fantastic Beasts: The Crimes of Grindelwald." ***Creature Design & Animation:*** From photorealistic creatures in "Guardians of the Galaxy" to fantastical beasts in "Harry Potter" films, Framestore's expertise in creature design and animation is highly sought-after. ***Environments:*** Whether it's recreating historical landmarks or building fantastical worlds, Framestore excels at creating detailed and immersive environments. ***Virtual Production:*** The studio is at the forefront of virtual production, utilizing this technology to enhance creativity and streamline workflows.
	Use Cases / Projects: Framestore's impressive filmography showcases their diverse skillset and contribution to various cinematic experiences. Some notable examples: ***Gravity (2013):*** Framestore played a crucial role in creating the film's realistic and visually stunning portrayal of space. Their work on weightlessness and zero-gravity environments was groundbreaking. ***Paddington (2014):*** The studio brought the beloved bear character to life with a charming CGI animation style that captured Paddington's warmth and humor. ***Fantastic Beasts:*** The Crimes of Grindelwald (2018): Framestore helped create the magical world of the film, from fantastical creatures to breathtaking environments. ***The Jungle Book (2016):*** They collaborated on this project, contributing their expertise in character animation and creature design. ***The King's Speech (2010):*** Framestore's subtle and detailed VFX work helped to enhance the film's historical setting.

Industrial Light & Magic (USA)	
	Company Profile: Founded in 1975 by the legendary filmmaker George Lucas, Industrial Light & Magic (ILM) is a pioneering American visual effects (VFX) company. Renowned for its groundbreaking work in countless films, ILM has revolutionized the way movies are made.
	Services Provided: ***Pre-visualization and Concept Design:*** ILM creates detailed storyboards, animatics, and concept art to help filmmakers visualize scenes and characters before filming begins. ***Character Animation:*** From creating iconic droids like R2-D2[15] and C-3PO[16] to animating fantastical creatures like Gollum in "The Lord of the Rings" trilogy (co-produced by Weta Digital), ILM offers a full spectrum of animation services. ***Creature Design & Animation:*** The studio's artists excel at designing and animating believable creatures, seamlessly integrating them into the film's universe. ***VFX Simulation:*** From fire, water, and explosions to complex particle effects, ILM utilizes sophisticated simulation techniques to create realistic and immersive visuals.

[15] R2-D2 or Artoo-Detoo, a Fictional Robot character created by George Lucas in Star Wars.
[16] See-Threepio is a humanoid robot character in the Star Wars.

	Compositing: The seamless blending of computer-generated elements with live-action footage is an ILM specialty. Their compositing artists ensure a cohesive visual experience for audiences. Virtual Production: ILM is at the forefront of virtual production, utilizing LED walls and real-time rendering to create immersive environments on set. ***StageCraft:*** This proprietary ILM technology creates massive LED video walls that project high-resolution environments, allowing actors to perform in virtual sets and enhancing realism.
	Expertise: ***Pioneering Spirit:*** ILM has a long history of innovation, pushing the boundaries of what's possible in VFX. ***Character Creation:*** The studio is renowned for its ability to create iconic and beloved characters, breathing life into creatures and droids that have become cultural touchstones. ***World Building:*** From the sprawling galaxies of Star Wars to the fantastical landscapes of Jurassic Park, ILM excels at creating immersive and believable worlds. ***Technical Innovation:*** ILM is constantly developing new technologies and techniques, shaping the future of VFX. ***StageCraft Technology:*** This innovative approach to virtual production allows for more realistic and creative filmmaking possibilities.
Industrial Light & Magic	***Use Cases / Projects:*** ILM's filmography is a testament to their enduring legacy and influence on the VFX industry. Some notable examples: ***Star Wars Series (1977 - Present):*** ILM's groundbreaking work on the original Star Wars trilogy revolutionized VFX and continues to inspire filmmakers today. Their work on subsequent Star Wars films showcases their ongoing innovation. ***Jurassic Park (1993):*** ILM brought dinosaurs to life with stunning CGI animation, forever changing the way audiences perceived special effects. ***The Lord of the Rings Trilogy (2001-2003):*** ILM co-produced this trilogy with Weta Digital, contributing their expertise in character animation and creature design to create the fantastical world of Middle-earth. ***Pirates of the Caribbean Series (2003-2017):*** The studio's work on this series included creating realistic seafaring environments and fantastical creatures like Davy Jones and the Kraken. ***Avengers: Endgame (2019):*** ILM contributed their VFX expertise to this epic culmination of the Marvel Cinematic Universe, bringing iconic characters and action sequences to life.

Indian Players

DNEG India	
DNEG	***Company Profile:*** DNEG India, a subsidiary of the global VFX giant DNEG, is a visual effects (VFX) studio based in Mumbai, India. Established in 2006, DNEG India has become a major player in the global VFX industry, contributing to numerous Hollywood blockbusters and critically acclaimed films.
	Services Provided: DNEG India offers a comprehensive range of VFX services, including:

Compositing: Seamlessly integrating computer-generated elements with live-action footage.

Character Animation: Creating realistic and lifelike characters, both human and fantastical.

Creature Design & Animation: Designing and animating believable creatures for films.

Environment Creation: Building detailed and immersive digital environments.

Simulation: Utilizing sophisticated techniques to create realistic fire, water, and other effects.

Pre-visualization & Concept Art: DNEG India helps filmmakers visualize scenes and characters before filming through detailed storyboards, animatics, and concept art.

Expertise:

Technical Proficiency: DNEG India utilizes the latest VFX software and technologies, ensuring high-quality and innovative work.

Global Collaboration: As part of the DNEG network, they leverage expertise and resources from studios worldwide.

Talent Pool: DNEG India has a team of skilled artists with experience in various VFX disciplines.

Adaptability: The studio adapts its services to meet the specific needs and budget of each project.

Cost-Effectiveness: India's VFX industry offers a cost-competitive advantage compared to some established VFX hubs.

Use Cases / Projects:

DNEG India's impressive filmography showcases their contribution to a wide range of films. Some notable examples:

Interstellar (2014): DNEG India contributed to the film's stunning visuals, including the depiction of black holes and wormholes.

Blade Runner 2049 (2017): The studio's work on this film included creating futuristic environments and replicant characters.

Tenet (2020): DNEG India's VFX expertise helped bring the film's time-reversal sequences to life.

Dune (2021): DNEG India played a role in creating the film's vast desert landscapes and colossal sandworms.

Indian Co-productions: DNEG India has also collaborated on VFX for Indian films, contributing to their growing visual spectacle.

Identical Brains Studios Limited

Company Profile:

Identical Brains Studios Limited is a growing Indian media and entertainment company specializing in visual effects (VFX) and post-production services. Founded in 2019 by Raghav Rai and Dinesh Jadhav, the company has established itself as a reliable partner for filmmakers and content creators across various media formats.

Services Provided:

Compositing: Seamlessly integrating CG elements with live-action footage.

Rotoscoping: Isolating foreground elements from a background for compositing purposes.

	Matchmoving: Tracking camera movement to accurately integrate CG elements into live-action scenes. ***Green Screen Removal & Keying:*** Removing green screens and replacing them with desired backgrounds. ***2D & 3D Tracking:*** Tracking objects or actors within a scene for various VFX tasks. ***Environment Creation:*** Building digital environments to enhance visual storytelling. ***Color Grading:*** Adjusting colors and enhancing the overall look of a film or video project. ***Motion Graphics:*** Creating dynamic and visually appealing graphics for various applications.
	Expertise: ***VFX for Film & Television:*** Identical Brains possesses the skills and experience to handle VFX needs for both film and television productions. ***Post-Production Pipeline:*** Their expertise encompasses various post-production services, ensuring a smooth workflow from VFX to final delivery. ***Adaptability:*** The company adapts its services to meet the specific requirements and budget of each project. ***Teamwork:*** Identical Brains emphasizes teamwork and collaboration between artists and clients.
	Strengths: ***Emerging Player:*** While a relatively young company, Identical Brains demonstrates a commitment to quality and a growing portfolio. ***Technical Skills:*** They have expertise in various VFX techniques, indicating a skilled team. ***Experience:*** The founders' experience in the industry suggests a strong foundation for the company's growth.

Phantom Digital Effects Limited[17]	
	Company Profile: Phantom Digital Effects Limited, established in 2016, is a leading visual effects and animation studio that has delivered thousands of shots for feature films, web series, and television commercials across the globe. With over ten years of experience, the company is driven by a commitment to storytelling, creating memorable visuals that resonate with audiences.
	Services Provided: ***Visual Effects:*** Comprehensive VFX services to enhance live elements or create realistic ones from scratch. ***Animation:*** Expertise in 2D and 3D animation for projects of all sizes, from concept art to final output. ***Concept Art:*** Visualization of unique characters, creatures, sets, and props for any story. ***Previsualization:*** Detailed pre-visualization sequences to aid in planning and execution.

[17] Phantom Digital Effects, formerly known as Phantom Creative Effects, was established in 2010 and incorporated as a company in 2016.

	VFX Supervision: End-to-end VFX pipeline management to optimize production and post-production processes.
	Expertise: ***Character Creation:*** Designing and animating realistic and believable digital characters, from humans to fantastical creatures. ***Environment Design:*** Building intricate and detailed virtual environments, ranging from futuristic cities to historical settings. ***Visual Effects Simulations:*** Creating dynamic and realistic simulations of natural phenomena, such as fire, water, and smoke. ***Compositing:*** Seamlessly integrating live-action footage with computer-generated imagery to create visually stunning sequences.
PhantomFX	***Use Cases/Projects:*** **Top-Tier VFX and Animation Projects (2010-2015):** Phantom Digital executed 207+ projects during this period, with notable works including Avengers - Assemble (2012), Oz the Great and Powerful (2013), and The Legend of Hercules (2014). **High-Profile Collaborations and Adaptation (2016-2020):** From 2016 to 2020, Phantom Digital completed over 229 projects, including significant contributions to Ghostbusters (2016) and Baahubali 2: The Conclusion (2017). During the COVID-19 pandemic, they demonstrated resilience by delivering over 200 VFX shots for Cats and Dogs 3 while adapting to remote work conditions. **Recent Achievements and Expansion (2021-2022):** In recent years, Phantom Digital has worked on blockbuster projects like RRR (2021) and Flash (2021, 2022), while also acquiring an 80% majority stake in Tippett Studio, enhancing their global VFX capabilities. **Iconic Contributions and Versatility:** Phantom Digital has been instrumental in creating memorable VFX sequences for major productions such as Mission: Impossible - Fallout, Game of Thrones, and numerous television commercials.

Digikore Studios Limited	
DIGIKORE STUDIOS	***Company Profile:*** Digikore Studios Limited is a leading visual effects studio based in India, founded in 2000 by Mr. Abhishek Rameshkumar More. The company specializes in delivering high-quality Visual Effects (VFX) for a wide range of projects, including films, web series, TV series, documentaries, and commercials. With over two decades of experience, Digikore has established itself as one of the top VFX companies in India, working with major global studios like Disney, Marvel, Netflix, and Amazon.
	Services Provided: ***Visual Effects (VFX) Services:*** Includes rotoscope, wire and rig removal, reflection removal, muzzle flash compositing, beauty fixes, and general cleanup to enhance visual quality and integrate effects seamlessly. ***Compositing and Match Moving:*** Specializes in green screen compositing, match moving, driving composites, and day-to-night conversion, ensuring CGI elements align perfectly with live-action footage. ***Set Extension and Crowd Simulation:*** Offers set extension to expand physical environments digitally, and crowd multiplication to simulate large groups, enhancing the scale and depth of scenes. ***Specialized CGI Techniques:*** Expertise in creating computer-generated effects like blood compositing, and detailed animation, bringing complex visual elements to life in film and television productions.

	VFX for 360-Degree Footage: Enhances virtual reality storytelling with immersive visual effects for 360-degree videos.
	Expertise: ***Visual Effects (VFX):*** Expertise in creating and integrating complex visual effects for films, TV, and digital content. ***Animation:*** Produces high-quality animations for various media platforms, including feature films and commercials. ***VFX for Films:*** Specializes in creating CGI, animation, and compositing to enhance cinematic storytelling. ***Post-Production Services:*** Offers a comprehensive range of post-production services, ensuring high-quality final outputs. ***Deliveries:*** The company generated VFX for more than 200 Hollywood films, web series, TV series, and commercials.
DIGIKORE STUDIOS	***Use Cases/Projects:*** ***Stranger Things (2016):*** Digikore's VFX artists have played a pivotal role in bringing the Upside Down to life, creating immersive and terrifying alien worlds. ***Game of Thrones (2011-2019):*** From dragons to epic battle sequences, Digikore's expertise has been instrumental in crafting the visually stunning world of Westeros. ***Jumanji: Welcome to the Jungle (2017):*** Digikore contributed to the creation of the fantastical jungle environment and the realistic animal characters. ***Titanic (1997):*** Digikore's VFX work helped to recreate the iconic sinking of the Titanic, a scene that remains one of the most memorable in cinematic history. ***Haider (2014):*** Digikore's VFX team created the visually striking sequences that helped to enhance the film's narrative and atmosphere. ***Deadpool (2016):*** Digikore's expertise was used to create the film's signature blend of humor and violence, including the character's distinctive fourth-wall breaks.

Prime Focus Limited	
PRIME FOCUS LIMITED	***Company Profile:*** Prime Focus Limited (PFL) is a global leader in media and entertainment services, known for providing comprehensive creative, technology, production, and post-production solutions. Founded in 1997 by Namit Malhotra, PFL has grown into the world's largest independent integrated media services company, with a workforce of over 8,000 professionals spread across 16 cities and 4 continents.
	Services Provided: ***Creative Services:*** Stereo 3D conversion, animation, VFX/CGI, digital production, animatics, and stop motion. ***Technology Products & Services:*** Media Enterprise Resource Planning (ERP) Suite, cloud-enabled media services. ***Production Services:*** Equipment rental. ***Post-Production Services:*** Digital intermediate, colour grading, sound, and picture post, visual effects, broadcast packaging.
	Expertise:

	Advanced VFX: Specializing in creating and integrating complex visual effects for films, TV, and digital content. ***Post-Production Mastery:*** Expertise in refining the final product with top-notch editing, colour grading, and sound design. ***High-Quality Animation:*** Proficient in producing animation for various media platforms, including feature films and commercials. ***3D Conversion:*** Skilled in converting 2D content into 3D formats, enhancing the viewing experience in films.
PRIME FOCUS LIMITED	***Use Cases/Projects:*** ***Sci-Fi & Fantasy Films:*** Contributed to Edge of Tomorrow (2014) and Kong: Skull Island (2017), creating immersive worlds. ***Genre Diversity:*** Worked on 28 Weeks Later (2007), Robin Hood (2010), and The Jungle Book (2016), demonstrating versatility across genres. ***Upcoming Projects:*** Continuing their legacy with projects like Start Lit Journey 2025, Animal Friend 2025, The Tish Tash 2025 including others, showcasing their ongoing influence in the visual effects and post-production industry.

Financial Performance of the Key Players[18]

Prime Focus Limited

Key Indicators (INR Million)	FY 2022	FY 2023	FY 2024
Revenue from Operations	1,209.20	407.42	334.48
EBITDA[19]	919.00	207.22	293.99
PAT[20]	2,907.00	-243.18	-3.22
EBITDA Margin (%)	76.0%	50.9%	87.9%
PAT Margin (%)	240.4%	-59.7%	-1.0%
ROA[21]	14.4%	-1%	-0.02%
ROCE[22]	17.6%	1%	1%
Net Worth	15,825.10	15,675.69	15,688.69
Long-term Debt	2,309.50	2,000.00	2,000.00
Debt Equity Ratio	0.15	0.13	0.13
Return on Equity	18.4%	-1.6%	0.0%

Phantom Digital Effects Limited

Key Indicators (INR Million)	FY 2022	FY 2023	FY 2024
Revenue from Operations	223.33	578.94	893.31
EBITDA	80.36	256.31	456.14
PAT	49.03	161.96	241.15
EBITDA Margin (%)	36.0%	44.3%	51.1%
PAT Margin (%)	22.0%	28.0%	27.0%
ROA	32.6%	25.7%	13.5%

[18] Financial Filings on Company Website | Due to the unavailability of the latest financial data for DNEG India beyond the fiscal year 2023, it is not incorporated in the analysis as that would introduce a discrepancy in benchmarking when compared to the other players whose financial data extends to the fiscal year 2024.
[19] EBITDA – Earnings before Interest, Tax, Depreciation and Amortization.
[20] PAT – Profit After Tax.
[21] ROA – Return on Assets.
[22] ROCE – Return on Capital Employed.

ROCE	119.8%	48.8%	23.0%
Net Worth	52.57	442.09	1,447.43
Long-term Debt	7.67	15.50	52.19
Debt Equity Ratio	0.15	0.04	0.04
Return on Equity	93.3%	36.6%	16.7%

Digikore Studios Pvt Ltd

Key Indicators (INR Million)	FY 2022	FY 2023	FY 2024
Revenue from Operations	250.13	344.40	449.62
EBITDA	75.12	154.35	272.66
PAT	4.67	43.75	95.42
EBITDA Margin (%)	30.0%	44.8%	60.6%
PAT Margin (%)	2%	12%	21%
ROA	6%	21%	17%
ROCE	34%	90%	28%
Net Worth	15.52	15.06	88.69
Long-term Debt	26.72	10.76	80.35
Debt Equity Ratio	1.72	0.28	0.19
Return on Equity	30.1%	72.2%	22.5%

Financial Analysis

The VFX industry displays a varied performance landscape, characterized by differences in growth, profitability, and financial stability among its key players Prime Focus Limited, Phantom Digital Effects Limited and Digikore Studios Limited. Prime Focus has encountered substantial revenue decline, pointing to potential operational or market challenges and faced sharp deteriorations in profitability, indicating severe financial distress or ongoing restructuring needs.

The sector has exhibited robust growth trends, with consistently increasing revenues and improving profitability metrics. Enhanced EBITDA and PAT margins in these companies reflect effective cost management and successful revenue generation strategies. Although there has been some decline in return on assets (ROA) and return on capital employed (ROCE) in recent years, these firms still show strong performance compared to their peers, suggesting efficient asset and capital utilization.

Additionally, there are companies demonstrating positive performance with steady revenue growth and improved profitability, albeit at a slower pace compared to the high-growth segment. The positive trajectory in profitability is a favourable sign, but the growth rates vary significantly across the sector. Financial stability among these companies also varies; some maintain a stable net worth and low debt-equity ratios, indicating financial resilience despite performance issues, while others display a growing net worth and conservative debt management, reflecting strong financial positions.
Overall, the VFX industry holds promising growth potential, particularly for companies' adept at managing operational and financial challenges. While some players are capitalizing on growth and profitability, others face significant hurdles that require strategic interventions to fully leverage the sector's opportunities.

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company, on a consolidated basis. To obtain a complete understanding of our Company and business, prospective Bidders should read this section along with "Risk Factors", "Industry Overview", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 35, 116, 211 and 214, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 for definitions of certain terms used in this section.

*The industry information contained in this section is derived from the industry report titled "Report on VFX Industry in India" dated August 20, 2024, which is exclusively prepared for the purposes of the Issue and issued by D&B and is commissioned and paid for by our Company ("**D&B Report**"). D&B was appointed on August 17, 2024. We commissioned and paid for the D&B Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Issue, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the D&B Report. The D&B Report is available on the website of our Company at https://identicalbrains.com/IPO_1.php. Otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an Investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors – Risks Relating to the Issue and the Objects of the Issue - We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS." on page 56.

Some of the information set out in this section, especially information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 27 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 35 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward -looking statements.

Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Overview

Our company is a provider of computer-generated visual effects ("**VFX**") services, offering comprehensive suite of VFX services in diverse range of projects such as films, web series, TV series, documentaries, and commercials. Our operations are currently from India and our customers include some of the leading film and content producers, including major Bollywood Studios. We transform the imagination, ideas, and words into captivating visual realities. Our team of qualified, creative and technical professionals collaborates to bring forth creations that elevate storytelling and captivate audiences worldwide. Whether it's breathing life into fantastical creatures or seamlessly integrating Computer-generated imagery ("**CGI**") elements into live-action footage, we are committed to pushing the boundaries of creativity and innovation in visual effects.

Visual Effects or VFX encompasses the creation or manipulation of any imagery that isn't filmed during live-action shooting using techniques, including computer-generated imagery, compositing, and green screens, alongside services like 3D modeling, animation, rotoscoping, pre-visualization, concept art and more. The Indian VFX industry has grown exponentially, from USD 107.7 million in CY 2020 to USD 647.2 million in CY 2023 CAGR of approximately 81.8% and is projected to nearly triple in size, jumping from USD 647 million in CY 2023 to USD 1,823 million by CY 2030. In CY

2023, movies dominate the market with a 39.7% share, followed by television (27.6%), gaming (17.7%), advertisements (10.6%), and others (4.4%). This growth stems from a resurgence of Indian cinema, with 157.4 million people attending movies in 2023, a 29% increase compared to the previous year, and the rise of streaming platforms and mobile gaming. VFX is also used for diverse applications such as architectural visualization and educational content. Key factors driving this expansion include a skilled workforce, competitive pricing, technological advancements, and government support, such as the establishment of the National Centre of Excellence, the National Film Policy focused on the Animation, Gaming, Visual Effects, and Comic landscape, and reimbursements for VFX, animation, and post-production projects. The Indian media and entertainment sector is projected expand at a CAGR of ~9.9% from INR 2.32 trillion in CY 2023 to reach INR 3.08 trillion by CY 2026. Big-budget productions are allocating 25%-30% of the production costs to VFX, and the success of Indian VFX studios is evident in their contributions to major Hollywood blockbusters such as Avengers: Endgame, The Jungle Book and Life of Pi. The engagement with VFX content is increasing, particularly among younger demographics, with films like Pathaan and Adipurush featuring 3,000 and 4,000 VFX shots, respectively. The integration of emerging technologies such as Artificial Intelligence (AI), Machine Learning (ML), Virtual Reality (VR), and Augmented Reality (AR) will enable more efficient workflows while India's animation sector is projected to be driven by evolving demand and shifting consumption patterns, emerging as the second-largest anime fan base and opportunities in adult animation markets. (*Source: D&B Report*).

Our company has provided VFX services for films that have achieved significant industry recognition. Our portfolio includes upcoming projects like *Tanaav 2*, *Criminal Justice 4*, and completed projects include *Khel Khel Mein*, *Murder in Mahim*, *Bad Cop*, *The Crew*, *Article 370*, *Mission Raniganj, Dream Girl 2*, *Adipurush*, *Indian 2*, *Rocket Boys*, *Bob Biswas*, *Kutch Express*, *Ek Villian Returns*, *Night Manager*, *Criminal Justice 3*, *Phone Bhoot*, *Satyamev Jayate 2*, *Angrezi Medium*, *Scam 1992: The Harshad Mehta Story*, *Good Newwz*, *Panipat* and many more. Since 2019, our company has provided VFX services for films that has received two Filmfare OTT Awards nominations, one Filmfare Awards nomination, one Dadasaheb Phalke Awards nomination and one FOI Online Awards nomination for Best Visual Effects and has won two Filmfare OTT Awards for Best Visual Effects for *Scam 1992: The Harshad Mehta Story* (2020) and *Rocket Boys* (2022) in association with Variate Studios LLP and one Dadasaheb Phalke Awards for *Phone Bhoot* (2022) for Best Visual Effects.

As a TPN-audited VFX studio, we are dedicated to deliver exceptional VFX solutions tailored to meet the standards of the US and European markets. The Trusted Partner Network ("**TPN**") is a global, industry-wide film and television content protection initiative which helps us to prevent leaks, breaches, and hacks of our customers' movies and television shows prior to their intended release establishing a benchmark of minimum-security preparedness. Currently, our company has also received approval for projects from Disney Hotstar and Amazon. With a relentless focus on reliability, cost-effectiveness, and uncompromising quality, we consistently strive to provide our customers with the best value for their investment. Our commitment to competitive pricing ensures that our services remain accessible without compromising on excellence. One of our core strengths lies in our unparalleled flexibility, allowing us to seamlessly adapt to projects of any size or scope. Whether it is a small-scale production or a large-scale blockbuster, we have an agility to deliver results with expedited turnaround times while maintaining scalability for sustained long-term growth.

Our Promoter, Raghvendra Rai, has an extensive experience of around ten years in the VFX Industry and under his leadership, our company has rapidly emerged as a prominent player in developing proprietary workflow processes and technologies that enables our qualified, creative and technical personnel to provide cutting-edge VFX services to our customers. We have a strong track-record of delivering projects on time and within budget. His skills and unwavering dedication have been instrumental in driving our company's success and expansion. Further, our workforce is comprised of passionate individuals who thrive on pushing the boundaries of creativity and innovation. With a diverse range of talents and backgrounds, our team is adept at tackling projects of varying complexities with confidence and proficiency. Through a combination of expertise and employee experience, we consistently deliver exceptional results that elevate our customers' projects to new heights of success.

Our key performance indicators for the last three Fiscals are as follows:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations (₹ in Lakhs) (1)	2,008.80	804.29	389.29
EBITDA (₹ in Lakhs) (2)	761.71	231.77	70.33
EBITDA Margin (%) (3)	37.92%	28.82%	18.07%
PAT (₹ in Lakhs) (4)	534.65	161.28	51.01
PAT Margin (%) (5)	26.62%	20.05%	13.10%
Return on equity (%) (6)	71.66%	77.59%	50.14%

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
Return on capital employed (%) (7)	103.52%	108.80%	81.40%
Debt-Equity Ratio (times) (8)	0.02	-	-
Trade Receivables Turnover Ratio (times) (9)	6.05	15.65	7.54
Working Capital Turnover Ratio (times) (10)	6.67	7.68	8.00
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) (11)	220.76	43.46	4.22

Notes:

(1) Revenue from operations is calculated as revenue from VFX Services.

(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.

(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.

(4) PAT represents total profit after tax for the year/period.

(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.

(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by Average Total Equity at the end of the year /period, whereas Total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.

(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by Average Capital Employed at the end of the year /period, whereas Average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. Capital Employed is calculated as Total Equity minus DTA plus DTL, Long Term Borrowings and Short-Term Borrowings.

(8) Debt to Equity ratio is calculated as Total Borrowings divided by Total Equity.

(9) Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.

(10) Working capital turnover ratio is calculated as revenue from operations divided by average working capital. Average working capital is calculated as average of opening working capital and closing working capital.

(11) Investment in Property, Plant, Equipment and Equipment is calculated as investment in Computers & Peripherals, Furniture and Fixtures, Software, Office Equipment and Vehicles in a particular period/ year.

b) Key operational indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
No. of clients	44	36	33
No. of projects completed	44	53	50
Average duration to complete a project (days)	35.27	18.74	17.84
No. of permanent employees	19	18	18
No. of contractual employees	124	107	42

Note: Average duration to complete a project (days) is calculated as total duration taken to complete all the projects divided by no. of projects completed

Revenue from operations from top ten customers for each of the last three Fiscals of our company:

(₹ in lakhs)

Particulars	FY 2023-2024		FY 2022-2023		FY 2021-2022	
	Revenue from Operations	***% of Total Revenue from Operations***	**Revenue from Operations**	***% of Total Revenue from Operations***	**Revenue from Operations**	***% of Total Revenue from Operations***
Customer 1	100.56	*5.01%*	-	-	-	-
Customer 2	71.20	*3.54%*	-	-	-	-
Customer 3	128.80	*6.41%*	35.00	*4.35%*	-	-
Customer 4	-	-	-	-	8.00	*2.06%*
Customer 5	-	-	-	-	12.60	*3.24%*
Customer 6	562.00	*27.98%*	-	-	-	-
Customer 7	-	-	-	-	8.00	*2.06%*
Customer 8	-	-	39.08	*4.86%*	-	-
Customer 9	-	-	-	-	96.90	*24.89%*
Customer 10	-	-	59.50	*7.40%*	-	-
Customer 11	-	-	174.50	*21.70%*	20.50	*5.27%*
Customer 12	-	-	37.83	*4.70%*	-	-
Customer 13	-	-	-	-	30.00	*7.71%*
Customer 14	98.51	*4.90%*	30.00	*3.73%*	-	-
Customer 15	116.00	*5.77%*	-	-	-	-
Customer 16	93.00	*4.63%*	-	-	-	-
Customer 17	-		-	-	12.83	*3.30%*
Customer 18	241.59	*12.03%*	-	-	-	-
Customer 19	68.10	*3.39%*	60.55	*7.53%*	10.00	*2.57%*
Customer 20	-	-	34.00	*4.23%*	-	-
Customer 21	-	-	87.04	*10.82%*	-	-
Customer 22	58.00	*2.89%*	86.00	*10.69%*	105.00	*26.97%*
Customer 23	-	-	-	-	16.50	*4.24%*
Total	**1,537.76**	***76.55%***	**643.49**	***80.01%***	**320.33**	***82.29%***

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Our Strengths

We believe that the following competitive strengths have contributed to our business growth and will continue to drive our success:

a) Integrated and highly scalable service delivery capabilities

Our integrated service delivery capabilities, allows us to leverage our workforce to complete projects on time, and to budget, while maintaining consistently high standards of quality. As a result, our Promoters believe that our company is well-positioned to take advantage of the anticipated growth in the VFX services industry. Our service delivery model involves the following key attributes:

- **Operations in economically attractive location:** Our presence in cost-advantaged location – India, specifically in Palghar and Lucknow, enhances our ability to scale our workforce efficiently. For further details on our geographical presence, please see "*Properties*" on page 177. Our creative personnel help expand the scale of our company's output capabilities and improve the efficiency of higher-cost, as compared to more experienced artists available in other metro cities, allowing them to focus on the creative work. Further, our commitment to effective budget management and competitive pricing is unwavering, all while maintaining uncompromising quality in our deliverables. We prioritize budget planning and resource allocation, ensuring that each project remains cost-effective without compromising on the high standards we set for ourselves. Our adeptness in optimizing resources allows us to offer competitive pricing models while consistently delivering top-tier quality in every aspect of our VFX services. This dedication to balancing cost efficiency with superior results underscores our commitment to customer satisfaction and industry excellence.

- **Integrated technology and infrastructure:** Our integrated technology and infrastructure allow our workforce to collaborate across the facilities to efficiently implement our customers' creative vision, utilising an integrated set of standardised creative tools and commercial and proprietary technologies that are continually enhanced and refined by a dedicated team of professionals. Our cutting-edge technology infrastructure serves as the backbone empowering our team of professionals to deliver exceptional shows within the VFX industry. With state-of-the-art software, hardware, and specialized tools, we ensure seamless integration, efficiency, and scalability in our production pipeline. This robust infrastructure enables us to handle intricate VFX requirements, from rendering to post-production, facilitating the creation of stunning visual experiences while meeting stringent deadlines and quality benchmarks.

- **Skilled creative and technical workforce:** With our diverse blend of skilled creatives and technicians, we possess a powerhouse of capabilities crucial to the VFX industry. Our collective expertise spans technical prowess, creative excellence, and problem-solving finesse, allowing us to innovate and overcome multifaceted VFX challenges from various angles. Beyond technical proficiency, our professionals' diversity fosters a deep cultural sensitivity, ensuring authentic and respectful representation of diverse cultures in our VFX projects. This adaptability and collaborative spirit not only enable us to resonate with diverse audience preferences but also guarantee market relevance, delivering high-quality and impactful visual effects that captivate a broad spectrum of viewers. Our highly-skilled creative and technical personnel also undergo continuous training and gain experience working on large and complex VFX projects in order to ensure they are capable of meeting our customers' creative and quality expectations.

b) Reputation as a trusted provider of VFX Services with established relationships throughout the Entertainment Industry

Establishing strong customer relationships and understanding their unique needs are fundamental components of our methodology. Building trusting relationships with our customers is a top priority for us. We encourage open lines of communication to gain a thorough understanding of their individual needs, preferences, and goals. We guarantee a customized and individualized approach to each project by closely connecting with customer vision, ensuring that our deliverables not only meet but beyond their expectations. Our dedication to producing outstanding results and building enduring relationships is based on this customer-centric approach.

Our Promoters believe that "IDENTICAL BRAINS STUDIOS" is recognised within the VFX industry for quality, reliability and a consistent track record of efficiently managing VFX projects. The strength of our reputation is reflected in its industry accolades. We have provided VFX services for films that has received two Filmfare OTT Awards nominations, one Filmfare Awards nomination, one Dadasaheb Phalke Awards nomination and one FOI Online Awards nomination for Best Visual Effects and has won two Filmfare OTT Awards for Best Visual Effects for *Scam 1992: The Harshad Mehta Story* (2020) and *Rocket Boys* (2022) in association with Variate Studios LLP and one Dadasaheb Phalke Awards for *Phone Bhoot* (2022) for Best Visual Effects. Moreover, our company has extensive experience working on many marquees, blockbuster projects containing significant VFX content, including *Bambai Meri Jaan*, *Satyamev Jayate 2, Panipat, Phone Bhoot*, *Adipurush*, *Indian 2*, *Crakk* and *Bawaal*.

Our company has established strong relationships with traditional film and TV production studios, including major Bollywood studios, as well as new market entrants and producers, directors and technical professionals. As a result, our Promoters believe our company is competitively positioned to win projects from its existing and new customers. Additionally, we believe that our track record of working on franchise films, such as *Angrezi Medium*, *Ek Villian Returns*, *Heropanti 2*, *Rocket Boys*, *Criminal Justice*, *College Romance*, etc. provides our company with significant advantages in competing for participation in their sequels and spin-offs. We believe that our brand and involvement with such well-known projects and franchises throughout the industry enables us to recruit good talent. Furthermore, we also believe that recent customer initiatives to decentralise and outsource an increasing number of services create additional opportunities for our company. As a provider of VFX services, our company has the ability to tailor its capacity and resources to meet stringent customer requirements, creating greater flexibility and operational efficiency than our studio affiliated competitors.

In addition, our customers trust us with their highly-confidential unreleased content. To combat theft or unauthorised leaks of unreleased content during the production process, we have developed internal physical and cyber security controls such as firewall, security systems and procedures including CCTV cameras, biometric access and password sensitive central storage for protection of classified data and internal controls in order to maintain the confidentiality of our customers' unreleased content.

c) Attractive business model, with significant revenue visibility and compelling opportunities for long-term margin expansion and cash flow generation

It is part of our culture to constantly adopt new methods and technology and to be at the forefront of industry trends. Our ability to stay ahead of the curve and push the frontiers of creative innovation is made possible by our proactive monitoring and assimilation of the most recent developments in the VFX landscape. Our dedication to lifelong learning and adaptability guarantees that we utilize state-of-the-art resources and techniques, enabling our staff to produce ground-breaking and aesthetically striking results while preserving our competitive advantage in the VFX sector. Further, we carefully plan and carry out projects and put efficiency first to meet deadlines producing outstanding results. Our methodical approach and strong processes optimize processes, guaranteeing that every facet of the project is painstakingly planned and carried out. We achieve exceptional outcomes in the VFX sector by meeting and frequently exceeding customer expectations via the combination of planning and flexible execution. Our commitment to successfully completing projects is still centric on this commitment to excellence and efficiency.

Our position within the VFX industry combined with longstanding relationships with content production companies and key creative talent provide our company with significant revenue visibility. These relationships have also served as the foundation for our company's Order Book and order pipeline. Our Order Book does not include revenue that has already been recognised and may vary due to change orders, which may increase or decrease the amount our company ultimately bills for a particular project, causing us to realise more or less revenue from a project than was reflected in our Order Book as of the date of estimation. See "*Risk Factors—Risks Relating to our Business—Our order book and order pipeline are not necessarily indicative of its future revenue or other results of operations and we may not fully realise the revenue value reported in our order book and order pipeline.*" on page 36.

Our business model and strong workforce provide opportunities for long-term margin expansion and cash flow generation. For example, for the fiscal year ended March 31, 2024, our company generated revenue of ₹2,008.80 lakhs, profit after tax of ₹534.65 lakhs and EBITDA of ₹761.71 lakhs, resulting in an EBITDA margin of 37.92%, which represented significant margin improvement compared to our company's EBITDA margin of 18.07% for the fiscal year ended March 31, 2022.

d) Experienced management team with managerial, creative and technical expertise and industry relationships

Our highly experienced management team complements our creative and technical workforce by combining managerial, creative and technical know-how with good industry experience. Our company has supplemented its management team with creative and technical talent, including experienced professionals who have been recognised for their creative and technical skills and achievements. As a result, we have a top-down commitment to creativity and technological innovation that further enhances our reputation and market position in the VFX industry. Raghvendra Rai, the Promoter and Managing Director, leads the company with approximately ten years of experience. His career includes key roles such as VFX Roto Supervisor at Digikore Studios Private Limited and Drishyam Films Private Limited, and consulting work with Maya Digital Studios Private Limited and Prime Focus Limited, showcasing his deep leadership in the industry. Sameer Rai, also a Promoter and the Executive Director, brings a robust background with eight years of experience. He began his journey as a Trainee at Drishyam Films Private Limited and advanced to Studio Head at Identical Brains in 2019. His growth and dedication have been pivotal to our company's success.

Further our SMPs, Alban Joseph Vaity, Business Development Head, excels in market trend analysis, competitor tracking, and data analysis. Since his promotion in 2023, following his tenure at Carnival Films Private Limited, he has driven significant business growth, furthering the company's expansion and market presence. Chaitali Vilas Gurav, Mumbai

Studio Head - Human Resource and Operations, has been crucial in managing operational systems and budgets since joining in August 2021. Her leadership experience includes roles at Carnival Films Entertainment Pvt Ltd, NY VFXWAALA LLP and White Apple LLP, underscoring her capability in overseeing complex operational aspects. Dinesh Dilip Jadhav, VFX Head, is an expertise in 2D/3D compositing techniques and is a significant asset to our company and was previously associated with Drishyam Films Private Limited. Harshit Rastogi, our Line Producer, has effectively managed project delivery, team workflows, and client coordination since 2021. His previous experience at Silver Cloud Studios Private Limited has equipped him with the skills necessary to oversee complex production processes. Mayur Ravindra Raut, the Palghar Branch Head, joined in 2021 as Lead - Prep Clean Up and has demonstrated exceptional proficiency in leading VFX projects. His background with Trace VFX on Hollywood projects and his roles at Cinegence Media Private Limited and Prime Focus World Creative Services Private Limited highlight his extensive experience in the field.

Moreover, establishing strong alliances with important industry participants, like production studios and post-production facilities, is critical to increasing success and influence in the VFX scene. These alliances generate collaborative synergies, allowing for the growth of shared resources, expertise, and new ideas. We gain access to new opportunities, pool varied skill sets, and tap into a larger network by developing solid relationships, paving the path for larger project scopes and enhanced market presence. Working together with industry peers expands our combined capabilities, creating a mutually advantageous environment that improves the quality and impact of visual effects productions.

Our Strategies

We intend to strengthen our position and also growing our business at scale by implementing the following strategies:

a) Establish Colour Grading Digital Intermediate ("DI") and Sound Studio Set up

We aim to set up a Colour Grading DI facility equipped with the latest technology and skilled professionals to meet the growing demand for high-quality post-production services. Digital intermediate ("**DI**") is a motion picture finishing process which classically involves digitizing a motion picture and manipulating the colour and other image characteristics. This facility will cater to the needs of filmmakers, production houses, and advertisers, providing them with top-notch colour grading services to enhance the visual appeal of their projects. The film and digital content industry is experiencing an increasing demand for high-quality colour grading services to achieve the desired visual aesthetics. Establishing a DI setup with cutting-edge technology and experienced professionals will set us apart from competitors. Ou target audience includes filmmakers, production houses, advertising agencies, and digital content creators. Our DI Services will include Colour Grading From basic corrections to complex looks and styles, digital intermediate (DI) workflow including conforming, online editing, and mastering, VFX Integration of visual effects with the final grade, delivery in multiple formats for cinema, broadcast, and digital platforms and offering services to customers worldwide through secure remote connections.

Setting up a Colour Grading Digital Intermediate (DI) facility is a strategic expansion that can significantly enhance the post-production process and overall service offerings. In the world of visual effects, colour grading is crucial as it ensures that the visual tone, mood, and style of the project are cohesive and aligned with the director's vision. Integrating a DI setup into our company will allow us for a seamless workflow between visual effects creation and final colour grading, ensuring that our project maintains consistent quality from start to finish. This not only attracts high-profile clients looking for an all-encompassing post-production solution but also elevates our company's standing in a highly competitive industry.

The first step in establishing a DI setup is to invest in the right infrastructure. High-end workstations, colour-accurate monitors, and industry-standard colour grading software like DaVinci Resolve or Baselight are essential components. These tools enable our colourists to handle high-resolution footage, apply complex grading techniques, and manage large amounts of data efficiently. A colour grading suite should be equipped with calibrated projectors and professional-grade monitors that reflect the precise colour and luminance levels required for both film and digital distribution. Additionally, the suite should mimic the viewing conditions of various platforms, ensuring that the final product looks consistent across different media formats. Equally important is the integration of this DI setup into the existing VFX pipeline. This involves establishing a streamlined workflow that allows for efficient communication and collaboration between colourists, VFX artists, and directors. A centralized media asset management system is vital for organizing, tracking, and sharing files across departments. This system will support high-speed data transfer and remote collaboration, accommodating the increasingly global nature of film production. By embedding the DI process within the VFX pipeline, our company can offer clients a unified post-production experience where visual effects and colour grading are harmonized, resulting in a polished final product. The human element is crucial to the success of the DI setup. Hiring skilled colourists who have both technical expertise and a deep understanding of cinematic storytelling is essential. These professionals must be capable of working closely with directors and VFX supervisors to achieve the desired look and feel of the project. Continuous training and professional development shall be prioritized to keep the team abreast of the latest colour grading techniques and technologies. This not only enhances the quality of work but also positions our company as a leader in innovation and creativity within the VFX industry.

Further, marketing the new DI capabilities effectively will be key to maximizing the return on investment. Our company shall showcase the integration of colour grading into our services, emphasizing the benefits of a cohesive post-production pipeline that can deliver high-quality results more efficiently. Additionally, forming partnerships with film studios, production houses, and content creators shall help establish a steady stream of projects, ensuring that the DI setup is fully utilized.

In conclusion, setting up a Colour Grading Digital Intermediate facility within our company is a forward-thinking move that enhances our service offerings and competitive edge. By investing in cutting-edge technology, integrating the DI process into the existing workflow, and building a team of skilled professionals, we can deliver superior visual experiences that meet the exacting standards of today's filmmakers. This strategic expansion not only adds value to our portfolio but also opens up new revenue streams, solidifying our position as a comprehensive post-production powerhouse in the industry.

b) Pursue emerging content media and strategically increase scale

As the demand for visual content continues to grow, our company plans to continue to leverage its existing relationships and track record of quality to take on additional projects across the entire content production industry. Our Promoters believe that the TV, OTT and animation sectors present highly attractive opportunities to expand our service offerings and capture market share, mirroring our customers and potential customers' expansion across these sectors as well. Our company intends to increase its offering of VFX services to emerging content production media by entering into new verticals as follows:

- **Photoreal Image Generation:** Photoreal image generation involves the integration of live-action footage and computer-generated imagery to create environments that look realistic but would be too dangerous, costly or impossible to capture solely in a live action shot. This includes complex particle work, which is a computer graphics technique to simulate certain phenomena (such as fire, explosions, smoke, moving water, falling leaves, clouds or other abstract visual effects), full computer graphics environments, hard surface modelling (creating a model of objects with hard surfaces, such as cars, planes and other non-living items) and close work digital doubles (creating a close-up full computer graphic duplicate of a human or animal character). VFX supervisors require to consult with film makers on set to ensure that they shoot in a manner that is most conducive to post production editing.

- **Animation services:** Our company intends to provide full screen animation for scripted content. Animation is the illusion of movement created by showing a series of still images in rapid succession. This process is now mostly accomplished through the use of computer-generated imagery ("**CGI**"). Feature animations typically have a two-to-four-year production timeline. Our company intends to expand its customer base for these animation services to include other content producers and intellectual property owners seeking to produce or create animated content across film, OTT and TV platforms.

- **AR/VR and Location-based and Experiential Entertainment Services:** Alternative methods of consuming visual entertainment through AR/VR are constantly evolving as the customers continue to explore these alternatives. Augmented reality ("**AR**") is an interactive experience that combines the real world and computer-generated 3D content. The content can span multiple sensory modalities, including visual, auditory, haptic, somatosensory and olfactory. AR can be defined as a system that incorporates three basic features: a combination of real and virtual worlds, real-time interaction, and accurate 3D registration of virtual and real objects. The overlaid sensory information can be constructive (i.e. additive to the natural environment), or destructive (i.e. masking of the natural environment). As such, it is one of the key technologies in the reality-virtuality continuum. Virtual reality ("**VR**") is a simulated experience that employs 3D near-eye displays and pose tracking to give the user an immersive feel of a virtual world. Applications of virtual reality include entertainment (particularly video games), education (such as medical, safety or military training) and business (such as virtual meetings). VR is one of the key technologies in the reality-virtuality continuum. As such, it is different from other digital visualization solutions, such as augmented virtuality and augmented reality. Our company intends to increase its offering of VFX services to emerging content production media, such as AR/VR, and location-based and experiential entertainment, such as theme parks.

In addition, our company intends to focus on maximising execution resources and focus on more complex work being delivered through effective training and collaboration across the teams.

We also believe that our business model supports our growth strategy by allowing us to scale rapidly while retaining high standards of quality and operating efficiently across global footprint and workforce. In addition, our capacity enhancements also allow us to bid on smaller, episodic content which is growing on the back of broader OTT/TV growth. As we continue to grow our business, we will seek to strengthen our competitive position by consistently delivering high quality services that meet our customers' needs. In addition, we intend to proactively evaluate opportunities to expand into new geographical locations in response to our customers' needs.

c) Investment in technologies, infrastructure and facilities

Our company intends to continue investment in technologies, infrastructure and facilities to meet the growing needs of its existing customers and new customers, who continue to produce more films and TV shows with significant VFX content. This involves following key attributes:

- **Real-time Rendering Technologies:** We shall prioritize investment in GPU-based rendering technologies in order to accelerate and improve the interactivity of rendering processes in our visual effects production. It will drastically reduce rendering times by leveraging these technologies, providing faster turnaround without sacrificing quality. Furthermore, we are actively investigating the potential of real-time rendering applications in film and interactive media, utilizing platforms such as Unreal Engine and Unity. This exploration enables us to capitalize on cutting-edge technologies, providing real-time rendering capabilities that improve the visual quality and immersive experiences of our projects across several media types.

- **AI-Driven Automation:** Within our visual effects pipeline, we plan to use machine learning algorithms to automate jobs like rotoscoping, colour grading, and even creative decision-making. This solution improves efficiency and precision, resulting in more simplified workflows and higher-quality outputs. Furthermore, we will use artificial intelligence to study audience preferences, employing data-driven insights to maximize visual effects. We ensure that our works resonate effectively by studying and adjusting to audience preferences, producing meaningful and engaging visual experiences across varied demographics.

- **Immersive Technologies:** We want to specialize in creating personalized VFX experience for AR and VR platforms, with an emphasis on user engagement and immersive storytelling. Our goal is on generating fascinating visual effects that take advantage of these mediums' unique qualities to engage viewers on a deeper level. In addition, we are investigating the use of haptic feedback and spatial audio to enhance the overall immersive experience, providing levels of realism and sensory engagement that boost the impact of our AR and VR visual effects.

- **Cloud-Based Workflows:** We plan to use cloud rendering technologies to ensure on-demand scalability, particularly during peak production periods, and to optimize our visual effects workflow. This method will enable us to properly manage resource demands and project timeframes. Furthermore, use of cloud-based collaboration technologies allows smooth communication and file sharing among geographically dispersed teams. This promotes efficient teamwork by guaranteeing easy coordination and streamlined workflows regardless of team location, resulting in increased production in our VFX projects.

- **Remote Collaboration Tools:** We intend to use virtual collaboration systems to enable real-time feedback and collaboration on digital materials, allowing our team to engage seamlessly. These systems will promote iterative improvements by facilitating efficient workflows, allowing quick input and collaboration on VFX projects. To protect critical project information, we shall prioritize the deployment of secure communication routes and data-sharing protocols at the same time. We can preserve confidential data, ensure the integrity of our visual effects projects, and build a collaborative and secure working environment by implementing strong security measures.

- **Sustainable Practices:** To reduce the carbon impact of our rendering farms in the visual effects area, we will aggressively pursue energy-efficient technology and infrastructure. We seek to reduce energy usage throughout our operations by implementing eco-friendly technologies. Furthermore, we are committed to investigating eco-friendly approaches in material manufacture and disposal for physical sets used in conjunction with digital effects. This strategy will ensure project sustainability by minimizing environmental impact and encouraging responsible practices in both the physical and digital parts of visual effects production.

d) Maintain creative, technical and managerial leadership by leveraging our brand and reputation to recruit leading talent

Building on our business model, we plan to continue training and developing our skilled workforce to perform VFX projects. We shall provide specialized training programs that focus on developing technologies such as real-time rendering, AI in VFX, and virtual production. Furthermore, we shall provide opportunities for continuous learning to guarantee that our skilled professionals are updated with the newest software breakthroughs and industry trends. We intend to build a culture of continuous improvement through these activities, providing our team of professionals with the experience required to innovate and excel in the ever-changing field of visual effects.

Further, we believe that our brand and track record of quality, as evidenced by our certain Filmfare and Dadasaheb Phalke awards and nominations, will continue to help attract leading creative, technical and managerial talent. In addition, as a public company, we will have the opportunity to offer equity-based incentives to more effectively recruit top creative, technical and managerial talent. Our Promoters believe that attracting and retaining top talent is essential and plays a significant role in our ability to secure roles on large, high-profile projects and to effectively run our business.

e) Expand our VFX services offering to film and content producers in new, high-growth geographic markets

The Global VFX markets are large and rapidly growing consumer-driven markets. The global VFX industry has grown from USD 38.2 billion in CY 2020 to USD 74.6 billion in CY 2023, at ~25% CAGR, and is projected to reach USD 184.5 billion by CY 2030, reflecting a CAGR exceeding 13.5% from CY 2023 to CY 2030. Movie ticket sales jumped to USD 21.3 billion in 2021, an 81% increase from 2020, fueling demand for VFX-laden films. Countries like India (347 films), Japan (323 films), China (441 films), United Kingdom (315 films), Italy (272 films) and Spain (263 films) saw major increases in output in CY 2023, propelling the VFX market further (*Source: D&B Report*). Our company anticipates increasing demand for VFX services to be driven by locally produced movies with significant VFX content and local OTT content, as well as major studios seeking to appeal to non-English speaking audiences.

Further, the Indian VFX industry has emerged as a major player on the global stage. With its pool of talented artists, competitive pricing, and growing technological expertise, India is attracting a significant chunk of VFX work for Hollywood blockbusters and international productions. This trend is driven by several factors. Firstly, Indian studios offer high-quality VFX services at a more affordable cost compared to traditional VFX hubs like Los Angeles. Secondly, the Indian government's initiatives to promote the media and entertainment sector have created a supportive environment for VFX companies to thrive. This includes initiatives like establishing centers of excellence for animation and VFX education and offering tax breaks for VFX work done in India. Finally, a large pool of skilled artists, coupled with a strong educational system focused on VFX training, ensures a steady stream of talent for the industry. Indian studios are collaborating with Hollywood giants on major blockbusters, contributing significantly to the visual spectacle of modern cinema. The success of Indian VFX studios is evident in their contributions to major Hollywood blockbusters. Some examples of Indian VFX studios contributions are Avengers: Endgame, The Jungle Book and Life of Pi. This positions India as a major force in shaping the future of visual effects on a global scale. (*Source: D&B Report*)

Therefore, our company regularly evaluates opportunities to provide services in these markets and we believe our brand positions our company to scale rapidly, while retaining high quality standards and operating efficiencies across the global footprint, and capitalise on ongoing, favourable trends.

Our Business Model and Customers

Our company derives substantially all of our revenue from the provision of VFX services to leading content producers. Our services are billed as part of the production budget of original content. VFX services increasingly reflects a significant and growing component of content production costs. Our company prices and bills its work based on the expected duration and complexity of each project. In general, our company is not exposed to the ultimate commercial success of the project. We recognise revenue under the percentage of completion method based on the services performed as a percentage of total services our company expects to perform over the life of the contract. Our contracts typically range in size from a few lakhs to crores and in duration from one to six months.

Further, other prominent VFX companies and studios choose to outsource certain aspects to specialized teams who are equipped with expertise, infrastructure, and technology to manage large-scale VFX projects. Therefore, we generate revenue from sub-contracting arrangements as well.

Revenue from operations for the last three Fiscals through direct and sub-contracting arrangements are as follows:

(₹ in lakhs)

Particulars	FY 2023-2024		FY 2022-2023		FY 2021-2022	
	Revenue from Operations	% of Total Revenue from Operations	Revenue from Operations	% of Total Revenue from Operations	Revenue from Operations	% of Total Revenue from Operations
Direct	1,711.37	85.19%	575.63	71.58%	245.47	63.06%
Sub-Contracting arrangements	297.44	14.81%	228.55	28.42%	143.79	36.94%
Total	**2,008.80**	**100.00%**	**804.19**	**100.00%**	**389.26**	**100.00%**

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Additionally, in certain circumstances for smaller contracts, film and content producers have asked us to defer some of our compensation for services provided until the release of the film. See also "*Risk Factors—Other Risks relating to our*

Financial Position—From time-to-time studios have sought to defer part of our fees for services until after a film is released.” on page 43.

In order to effectively manage our resources and develop our financial budgets, we continually monitor our Order Book. Our Order Book is comprised of (i) projects for which we have received a written contract, either executed or awaiting execution, and (ii) projects for which we have received written or verbal confirmation that we have been awarded a particular project and for which commercial terms are either agreed or generally known due to our company’s course of dealing with a particular customer. Our Order Book may also include, as of any date of estimation, change orders for any project that have been confirmed, either in writing or verbally, or formally contracted. However, our company typically recognises more revenue in a given period than is included in our Order Book for such period on the date of estimation as a result of subsequent change orders that expanded the scope of our work. Our Order Book does not include revenue that has already been recognised. Additionally, prior to categorising a project as part of the Order Book, we maintain a running list of projects that are in an advanced stage of active bidding and discussion, including potential change orders for current projects, but for which the customer has not yet confirmed the commercial terms, the value of the contract and/or the scope of our work. These projects are tracked in an order pipeline that our company utilises for project planning and budgeting of the business. Once the terms of these projects are further progressed in line with our Order Book criteria, they are moved from the order pipeline into the Order Book. See “*Risk Factors—Risks Relating to our Business—Our order book and order pipeline are not necessarily indicative of its future revenue or other results of operations and we may not fully realise the revenue value reported in our order book and order pipeline.*” on page 36.

For the fiscal year ended March 31, 2024, our company had around 2 large projects (defined as projects earning revenue of ₹200.00 Lakhs or more in that period), around 6 medium projects (defined as projects earning revenue of more than ₹50.00 Lakhs and less than ₹200.00 Lakhs in that period) and around 36 small projects (defined as projects earning revenue of ₹50.00 Lakhs or less in that period). For the fiscal year ended March 31, 2023, our company had around 4 medium projects and around 49 small projects. For the fiscal year ended March 31, 2022, our company had only 50 small projects.

Our company has longstanding relationships with film and content producers, including major Bollywood studios, with most of these relationships originating since 2019. Our Promoters believe that our reputation and work product has led to repeat business from leading studios, directors and producers who trust us with the VFX work for their projects. In addition, studios typically publish their major theatrical release schedule one or two years in advance, which provides our company with significant visibility into what projects are available. Furthermore, our company maintains relationships with film and content producers outside of the major Bollywood studios, including new market entrants such as Amazon. For the fiscal year ended March 31, 2024, around 33% of our revenue came from customers outside of the major Bollywood studios. Given our track record in VFX and longstanding customer relationships, we expect to retain and grow our revenue by customer as customers continue to increase the output of, and spend on, VFX content.

Our company has also leveraged our feature film VFX credentials and relationships to expand into other content such as OTT and TV production, thereby substantially growing our company’s revenue. The rise of streaming giants like Netflix and Disney+ has significantly impacted VFX spending patterns. These platforms compete for viewers by offering visually spectacular content. Studios working with streaming services are increasingly allocating larger budgets to VFX, creating high-quality shows that rival Hollywood blockbusters. Netflix has rapidly expanded its animated library and original productions. The global reach of streaming platforms has opened up new markets for the motion picture industry. To cater to these diverse audiences, VFX studios will need to be culturally sensitive and create visuals that resonate with viewers from different backgrounds. This may involve incorporating elements of local folklore or mythology into VFX design. Further, the surge in demand for high-quality content from streaming services like Netflix and Disney+ has benefitted the Indian VFX industry. As these platforms churn out new shows and movies, Indian studios are well-positioned to contribute their expertise in creating visually captivating content. The growing popularity of Indian streaming platforms has fueled competition for viewers. Platforms like Netflix, Disney+ Hotstar, and Amazon Prime Video are vying for audience attention with a constant stream of original content. VFX can elevate the production value of web series, allowing for the creation of immersive worlds, fantastical creatures, and visually stunning action sequences. Shows like "The Family Man" (Amazon Prime Video) and "Sacred Games" (Netflix) have garnered critical acclaim and audience praise for their exceptional use of VFX. The Indian VFX industry's growth and competitive pricing make it an attractive option for streaming platforms. The Indian VFX industry's growth and competitive pricing make it an attractive option for streaming platforms. The availability of skilled VFX artists and studios offering high-quality services at reasonable costs allows platforms to invest in visual effects. As viewers become accustomed to the high production values and stunning visuals of global streaming content, their expectations for Indian web series are rising. Streaming platforms are responding to this demand by allocating larger budgets to VFX, allowing for a more visually polished and immersive viewing experience. YouTube continues to dominate as the leading digital platform for animated content in India, accounting for a large portion of children's content consumption. Trends indicate that audience engagement with VFX content is increasing, particularly among younger demographics such as Gen Z (Generation Z or Zoomers) and Millennials, who favour on-demand content available through streaming platforms. (*Source: D&B Report*). Our Promoters believe we are well positioned to capture a portion of this rapidly growing market. For example, our company has been chosen to provide VFX services for a number of recent projects produced by OTT providers and TV broadcasters, including *Murder in Mahim*, *Scam 1992: The Harshad Mehta Story*, *Criminal Justice*, *Lootere*, *Bambai Meri Jaan*, *Mumbai Diaries 2*, *Rocket Boys*, *College Romance*, etc. among others. However, currently we do not have 2D to 3D conversion contracts and AR/VR content contracts.

Our Promoters believe that our business model gives us a competitive advantage and will allow us to capitalise on the growing demand for VFX services. Through efficient management of our resources, we are able to offer our customers the scale and capacity required to meet stringent project deadlines, while maintaining consistently high-quality work, reducing cycle times and optimising utilisation of, and promoting collaboration among, our creative and technical personnel. The Promoters believe that the business model, in combination with our presence in cost-advantaged location, helps drive margin expansion. Unlike traditional offshore information technology services providers, our integrated, collaborative team structure ensures the highest quality finished products, which is reflected in their awards portfolio and recurring customer base. Our company operates a robust training program alongside multiple quality controls across the delivery chain.

Our Services and Techniques used in VFX Industry

Our company has been providing VFX services to film and content producers for over five years. VFX describes the processes by which imagery is created and/or manipulated outside the context of a live action shot. VFX involves the integration of live-action footage (which may include in-camera special effects) and generated-imagery (digital or optics, animals or creatures) which look realistic, but would be dangerous, expensive, impractical, time-consuming or impossible to capture on film. The various VFX services require similar creative and technical capabilities and we allocate resources among different projects to meet customer needs.

Following are the services provided by us and techniques used in VFX Industry:

ROTOSCOPY

Rotoscoping is an animation technique in the VFX realm involving the manual creation of a matte or outline around an element within a live-action footage. This process allows the isolated element, such as a character or object, to be separated from its original background and seamlessly composited onto a different background or scene. Rotoscoping demands frame by-frame tracing or outlining of the desired element, ensuring precision and accuracy to facilitate smooth integration into the new visual environment. This method is widely used in film and animation to achieve complex visual compositions and enhance storytelling by manipulating elements within a scene.

PAINT / CLEANUP

Paint/ Cleanup in the VFX domain refers to the essential task of removing or cleaning up unwanted elements from a shot before it progresses further along the production pipeline. This process primarily involves the removal of various artifacts such as rigging equipment, markers, wires, or any elements that shouldn't appear in the final footage. It aims to create a seamless and polished visual by erasing distractions or imperfections that could disrupt the viewer's immersion in the scene. Paint/ Cleanup tasks require deliberate attention to detail, often involving digital painting techniques or using specialized software to erase or replace unwanted elements, ensuring a flawless appearance in the final shot within film, television, or other visual media productions.

COMPOSTING 2D/3D

Compositing involves the intricate process of blending various visual elements together to create a seamless and cohesive final image or sequence. This includes combining live-action footage, computer-generated imagery, matte paintings, and other elements to produce stunning visual effects. Compositors use specialized software and techniques to integrate these elements, ensuring that they interact realistically with each other and with the environment. Whether it is adding CG creatures to live-action scenes, creating elaborate set extensions, or enhancing atmospheric effects, compositing breathes life into the VFX work. It requires a keen eye for detail, color grading skills, and a deep understanding of light and shadow to achieve photorealistic results. Compositing plays a crucial role in bringing the film and content directors' vision to life, enhancing storytelling, and immersing audiences in fantastical worlds. In the ever-evolving landscape of visual effects, compositing remains a cornerstone of the post-production process, where creativity and technical expertise converge to produce breathtaking imagery.

COMPUTER-GENERATED IMAGERY

Computer-Generated Imagery ("**CGI**") refers to the generation of static or moving visual content through specialized imaging software. It is a versatile technique extensively employed to produce images for various purposes across diverse industries. CGI finds application in creating visual art. advertisements, anatomical models, architectural designs, engineering prototypes, television shows, video game graphics, and film special effects. Moreover, it plays a crucial role in developing augmented reality (AR) and virtual reality (VR) applications, contributing to immersive digital experiences. Through CGI artists and designers leverage sophisticated software tools to craft lifelike and detailed visual elements, enhancing storytelling and enabling the creation of compelling visual content across numerous fields and media formats.

MATCH MOVE

Match move artists are VFX professionals responsible for aligning computer-generated ("**CG**") elements with live-action footage seamlessly. Their primary task involves recreating the live-action backgrounds, known as plates, within a computer environment that precisely mirrors the camera's movements and characteristics used during the original shoot, including lens distortions. This process ensures that the CG elements seamlessly integrate and synchronize with the live-action scenes. By accurately matching the CG elements' motion, perspective, and scale to the original footage, match move artists enable convincing and realistic integration of computer-generated imagery into live-action shots, enhancing the overall visual coherence of the final scenes in films, television, and other multimedia productions.

CAMERA TRACKING

Camera tracking is a critical step in the VFX processing, and it is one of the most important responsibilities in the VFX pipeline. It is important because it ensures accurate determination and duplication of camera motions within a given scene. This precise tracking, often known as "solving", serves as the foundation for many future steps in video production. It is used to integrate CGI or other visual components into live-action film by accurately matching them with the camera's movements and perspective. The accuracy of the camera solution has a significant impact on practically every step of the video production process, influencing the seamless integration of VFX elements such as CGI, set expansions, or scene adjustments, and eventually adding to the overall visual realism and quality.

COLOUR GRADING

Colour grading in VFX is the process of enhancing and stylizing the visual appearance of digital imagery to evoke specific emotions, establish atmosphere, and support the narrative tone of a scene or sequence. It involves conscientious adjustments to colour balance, contrast, saturation, brightness, and tonal range using specialized software and tools. Colour grading not only ensures visual consistency across different shots and scenes but also allows for creative expression, enabling filmmakers to imbue their work with unique artistic qualities. Through colour grading, VFX artists can transform raw footage into polished cinematic experiences, enriching storytelling and captivating audiences with stunning visual aesthetics.

MATTE PAINTING

Matte painting is a technique used in VFX and digital compositing to create expansive, detailed environments or scenes that would be impractical or impossible to film on location. It involves painting or digitally creating intricate backgrounds, landscapes, or settings that seamlessly blend with live-action footage. Matte paintings are often used to extend sets, alter locations, or add elements that enhance the storytelling of a film or video production. Matte paintings may include elements such as buildings, landscapes, skies, foliage, or even fantastical creatures, depending on the requirements of the shot or scene. Once the painting is completed, it is seamlessly integrated into the VFX pipeline through digital compositing techniques, where it is combined with live-action elements, motion graphics, and other visual effects to create the final shot.

3D TEXTURING

It involves applying textures to the surfaces of 3D models to simulate different materials, such as wood, metal, fabric, or skin, and adding details like colour, roughness, bumpiness, and reflections. The texturing process typically begins with UV mapping, where the surface of the 3D model is unwrapped into 2D space, creating a flat representation of its geometry. This UV map serves as a guide for applying textures accurately to each part of the model. Textures can be created using various methods, including hand-painting in digital painting software like Adobe Photoshop, procedural texture generation, or capturing real-world materials using photogrammetry or texture scanning techniques. These textures are then mapped onto the corresponding areas of the UV map, aligning with the geometry of the 3D model.

MOTION GRAPHICS

In the field of Visual Effects, motion graphics play a crucial role in enhancing visual narrative and facilitating the smooth integration of digital elements with live-action video. Motion graphics are a vital component of visual effects and are used to create compelling title sequences, user interfaces, and data visualizations in addition to adding spectacular effects like explosions and environmental simulations to scenes. Motion graphics artists use methods like particle simulation, keyframing, and 3D animation to make computer-generated imagery come to life and flow naturally into the story. Motion graphics are influencing the future of immersive narrative and digital entertainment, whether they are used in movies, TV shows, video games, or advertisements. They are developing in tandem with technology improvements.

Bidding Process and Pricing of a VFX Project

Our company consistently engages with producers, directors and studio executives, among other content producers and creators, regarding upcoming projects. These discussions often lead to invitations to bid on a variety of projects, with content producers typically requesting bids from multiple VFX service providers for a single project.

The bidding process is multi-faceted, beginning with an initial script review to identify the scope and complexity of the required work. Scripts are divided into shots and sequences, and customers may request bids on specific sequences or the entire script. When we bid on a range of sequences, the customer may award us only selected sequences within that range. During script review, our creative and technical teams assess the work required for each sequence, including the number of man-days needed per shot. We base our costs on rate cards that factor in employee salaries, equipment, and overhead expenses. Following this analysis, we submit a detailed bid reflecting the initial script's content. Our quotes are typically structured on a piece rate for VFX and stereo conversion work and a time rate for TV animation work. Additionally, we may offer concept art, testing, and previsualization at low or no cost as part of our comprehensive bidding and sales process.

Once the initial bids are submitted, the project generally undergoes several more bidding rounds before sequences are awarded to VFX service providers. During this process, any changes to the script—stemming from shifts in creative vision, storyline adjustments, or budgetary constraints—may necessitate adjustments to our bid. Typically, project scopes expand by 15% to 20% from the original contract amount due to change orders.

Furthermore, bids are often influenced by tax credit eligibility, not only for our work but also for other key components of the project, including the physical shoot. Changes in project location to leverage tax credits can alter the overall production cost, potentially increasing the budget allocated for VFX services.

During the bidding process, we may reach advanced stages of discussion with a customer. If we anticipate being awarded the project, but the commercial terms, contract value, or scope of work have not yet been confirmed, the project is included in our order pipeline. As these terms progress and align with our Order Book criteria, the project transitions from the order pipeline to the Order Book. Executed contracts include a detailed final bid, and any deviations result in a change order, which can adjust the original contract value. Our order pipeline also includes expected change orders for contracts already in the Order Book but pending customer confirmation of terms, value, or scope. Once confirmed, these change orders move from the order pipeline to the Order Book, either through written, verbal, or formal agreement.

Also see "*Risk Factors—Operational Risks—The tools that our company relies upon to prepare and submit a bid for a project may prove to be inaccurate, and we may not achieve anticipated levels of revenue and profits.*" and "*Risk Factors—Risks Relating to our Business—Our order book and order pipeline are not necessarily indicative of its future revenue or other results of operations and we may not fully realise the revenue value reported in our order book and order pipeline.*" on page 49 and 36, respectively.

Production Process

Our Company's production process is equipped with lasted technologies, equipment and software. Our Company brings the latest modern technology in the project execution so that best of the VFX effect is delivered in the ultimate scene. Below is a summary of our standard project management procedures:

1. Pre-Production Stage

We are frequently recruited on board in the pre-production phase. We can work closely with directors and content producers, and other important stakeholders to plan and envision the VFX requirements from the beginning. Early participation in the creative process allows us to:

- *Conceptualize and Design:* Create preliminary ideas and designs for the visual effects in collaboration with the creative team.

- *Storyboarding and Pre-Visualization:* To assist in the layout of the VFX shots and sequences, create storyboards and pre-visualizations.

- *Budget Planning:* Provide accurate budget estimates based on the scope and complexity of the required effects.

- *Technical Consultation:* Offer technical advice to ensure that the shoot is optimized for VFX integration.

This early collaboration ensures that the VFX are seamlessly integrated into the production, resulting in a more cohesive final product.

2. The Post-Production Stage

As an alternative, we frequently get projects after the main photography is finished. In these situations, the offline cuts of the movies/films/etc. are sent to us, and our job during post-production is to integrate the visual effects. Our procedure consists of:

- *Reviewing Offline:* Examining the offline modifications to comprehend the project's overall goal and the particular VFX requirements.

- *Budgeting:* Formulating comprehensive budgets in accordance with the necessary effects and the footage supplied.

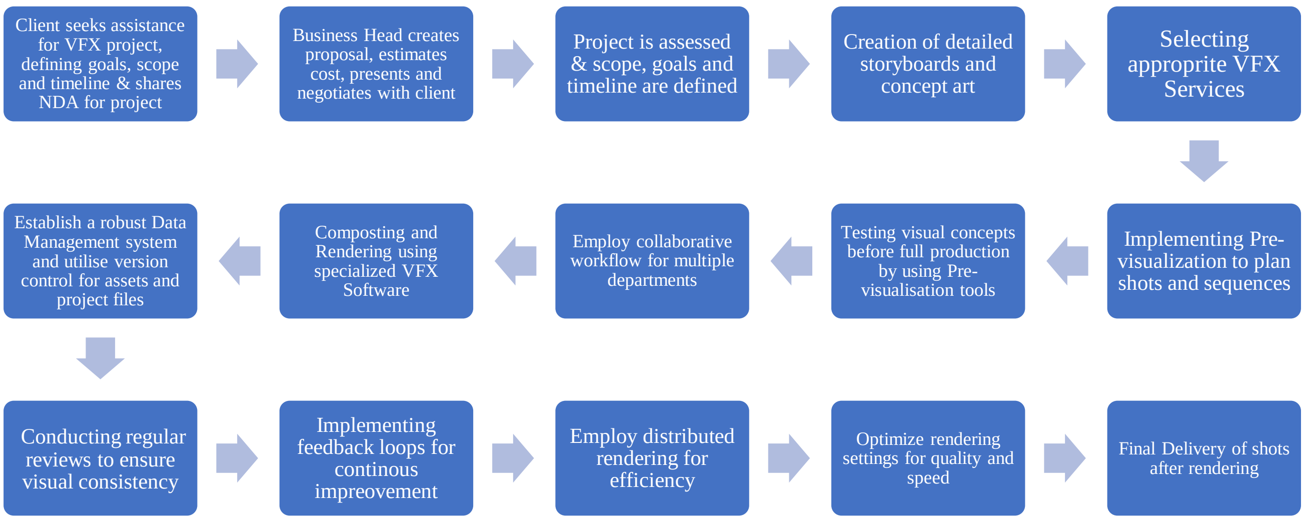
- *Shot Breakdown:* Dividing the video into separate VFX shots and scenes.

- *Production Planning:* Creating a schedule and production strategy for the VFX delivery.

- *Execution and Integration:* Putting the visual effects work into practice and blending it in perfectly with the live-action film.

By engaging at different stages of production, we offer flexible solutions that meet the unique needs of each project, ensuring high-quality visual effects that enhance the storytelling and visual impact of the film. Our ability to adapt to different stages of the production process is a testament to our expertise and commitment to delivering exceptional VFX work that meets the highest industry standards.

Business Process Flow from deal origination to completion of project



1. Client

- Typically, when a customer entrusts us with a VFX project, they provide a comprehensive overview of its objectives, parameters, and timeline. This entails detailing the specific visual elements needed, such as animations, special effects, or computer-generated imagery, along with articulating the project's overarching purpose. The scope of work typically encompasses the precise tasks to be completed, the number of shots or scenes requiring visual effects, and any constraints or technical requirements.

- After finalizing and approving the project specifics, the customer may propose a Non-Disclosure Agreement ("**NDA**") to safeguard sensitive project information. This legal document ensures the confidentiality and protection of proprietary data, trade secrets, and intellectual property throughout the project duration. By signing the NDA, both parties commit to refraining from disclosing or exploiting confidential information, thereby upholding the confidentiality agreement.

2. Business Head

- The business head is in charge of the proposal creation, which highlights the team experience and value proposition while outlining the project goals, deliverables, and scope.

- To ensure accuracy and competitive pricing in the face of profitability, the business head estimates costs for personnel, software, hardware, and resources needed for the VFX project.

- In order to obtain the VFX project, the business head leads the presentation and negotiation phase. In this phase, they explain suggested solutions, respond to questions from customers, and negotiate conditions, deadlines, and budgets.

3. Production

- Production carefully evaluates the needs, goals, and limitations of the VFX project that was received. To guarantee viability and conformity with project goals, this entails assessing elements including the scope of work, intended visual effects, technical specifications, and available resources.

- Production creates a thorough storyboard and concept art for the visual effects project, which helps to visualize the shots, effects, and overall creative direction. This procedure include turning the story and vision of the project into visual representations, serving as a guide for the VFX team to follow while production is underway.

- Based on the project's appraisal and storyboard, production chooses the right VFX services. This could use animation, motion capture, compositing, Computer-Generated Imagery, or other methods. Selecting services that best meet the project's needs and produce the intended visual impact while staying within the allotted budget and time frame is the aim.

4. Pre-Visualization

- The team implements previsualization ("**previz**") shots and sequences, which involves creating rough, low-resolution versions of the intended visual effects scenes. These previz shots serve as placeholders to visualize camera angles, character movements, and overall composition before full production begins. This process helps refine the creative direction and identify any potential issues early on.

- Previsualization tools are utilized to test visual concepts before full production. These tools allow the team to experiment with different visual effects ideas, camera movements, and scene compositions in a virtual environment. By testing visual concepts in this manner, the team can assess their feasibility, refine their execution, and ensure that they align with the project's creative vision and technical requirement.

5. Production Workflow

- Using a collaborative workflow entails setting up effective channels for coordination and communication between the various departments—production, VFX, editing, and sound design—that are participating in the VFX project. This guarantees quick feedback exchange, smooth effort integration, and alignment with project objectives. To maximize workflow efficiency, strategies could include holding frequent meetings, using shared project management software, and clearly delegating tasks.

- The project is rendered using specialized visual effects software, such as Autodesk Maya, Blender, Adobe After Effects, and Foundry Nuke. These tools make it possible to create, manipulate, and generate intricate visual effects, guaranteeing excellent results that satisfy the project specifications. Using specialist visual effects software improves the precision, efficiency, and inventiveness in bringing the project's visual elements to life.

6. Data Management

- To properly organize, store, and retrieve project data, a sturdy data management system must be created by putting in place organized procedures and instruments. To guarantee data integrity and security, this entails establishing uniform file naming conventions, folder structures, and access rights. Utilizing backup procedures and centralized storage solutions also lessens the chance of data loss and promotes teamwork.

- Throughout the VFX production process, version control is crucial for tracking changes to project files and assets. Teams can keep a history of file modifications, handle conflicts, and track revisions by using version control systems like Git or SVN. This guarantees that everyone in the team has access to the most recent version of assets and project files, streamlining collaboration and reducing the risk of errors or inconsistencies.

7. Quality Control

- To guarantee consistency and quality, regular reviews entail carrying out methodical evaluations of visual elements at various stages of the VFX production process. This entails assessing elements like lighting, texture, color grading, and overall visual coherence between various scenes or images. Teams that regularly assess their work can spot inconsistencies or problems early on and make the necessary adjustments to ensure visual coherence and project requirements are met.

- Putting in place systems for gathering, evaluating, and acting upon stakeholder feedback at every stage of the VFX production process is known as feedback loop implementation. This entails getting feedback from directors, customers, and team members in order to pinpoint problem areas and take any issues or recommendations into consideration. Through the use of feedback loops, groups can iteratively refine their work, enhance collaboration, and ultimately deliver higher-quality results.

8. Rendering

- Distributed rendering reduces rendering time and improves efficiency by using numerous computers or servers to render frames of a VFX production simultaneously. By dividing the rendering burden among several processors, this method enables the processing of frames in parallel. Distributed rendering shortens the rendering time for visual effects projects by utilizing the processing capacity of several resources.

- During the rendering process, rendering parameters including resolution, sampling rates, and rendering algorithms can be adjusted to balance quality and performance. Teams can minimize rendering time while achieving the desired level of visual fidelity by fine-tuning these settings. Render layer optimization, denoising, and adaptive sampling are a few techniques that can help optimize rendering settings to efficiently produce the best results.

9. Final Delivery

- Following the rendering process, the customer receives the final shots in accordance with the predetermined parameters. This entails making sure the produced files satisfy technical specifications and quality standards by packing them into the necessary format (such as image sequences or video files). Providing documentation, such as shot lists or render logs, and working with the customer to resolve any last-minute alterations or modifications are further steps in the delivery process. The ultimate objective is to promptly provide the completed pictures to the customer so they can be incorporated into the finalized production.

Software and Equipment

We use latest technologically advanced software to create VFX effects ensuring high-quality output and efficient workflow management. We use Maya which is an industry-standard 3D animation, modeling, simulation, and rendering software. It's used extensively in VFX for creating lifelike characters, environments, and animations. Nuke is a powerful compositing software used to combine visual elements into seamless final images, a crucial part of post-production in VFX. Foundry Nukex is a specialized version of Nuke with advanced tools for 3D compositing, ideal for complex VFX workflows.

Further hardware such as processor, motherboard, RAM, SSD Drives, Graphics Card, etc. which are high-performance computers with Intel i9 processors, extensive RAM (up to 128GB), and powerful graphics cards are essential for rendering complex VFX scenes and running demanding software like Maya and Nuke. Synology DS420j & Synology Hat5300-16T

Sata HDD which are part of the storage solutions, offering reliable, high-capacity storage for large project files and backup management. Further we have servers which provide the backbone for rendering farms and data storage, enabling efficient processing and storage of VFX data across multiple workstations.

Our company leverages a mix of industry-leading software and robust hardware to maintain its edge in the competitive VFX industry. This infrastructure ensures that we can handle complex projects efficiently, delivering high-quality results that meet the demands of global clients.

Information Security

Our dedication to data security and confidentiality is a cornerstone of our services, particularly in the industry we operate. We recognize the importance of protecting sensitive content and emphasize severe procedures to maintain the highest level of protection for our customers' data. We establish confidence with our customers by adopting comprehensive security measures, encryption techniques, and closely following to industry norms. This commitment to maintaining the highest standards of data security demonstrates our priority to preserving the confidentiality and integrity of their valuable content.

Further, we are a TPN certified VFX studio. The Trusted Partner Network ("**TPN**") is a global, industry-wide film and television content protection initiative which helps us to prevent leaks, breaches, and hacks of our customers' movies and television shows prior to their intended release establishing a benchmark of minimum-security preparedness. This TPN certification plays an essential role in proving our ability to maintain security of the content producers as it establishes a comprehensive security standard for the safe handling of unreleased or sensitive content.

To combat theft or unauthorised leaks of unreleased content during the production process, we have developed internal physical and cyber security controls such as firewall, security systems and procedures including CCTV cameras, biometric access and password sensitive central storage for protection of classified data and internal controls in order to maintain the confidentiality of our customers' unreleased content.

Sales and Marketing

Our company markets its VFX services under its "IDENTICAL BRAINS STUDIOS" brand name. Our sales and marketing strategy is largely based on the strength of our industry relationships. Additionally, due to the nature of the VFX services industry, whereby a VFX service provider's final work product is an indication of the VFX service provider's capabilities and quality of work product, our company benefits from the distribution of its work for current and potential customers to see and evaluate. Our sales approach provides customers with access to key executives operating across the company, including within our leadership, technical, scheduling, sales and corporate affairs areas. Our company maintains senior management personnel in each of the three locations, providing strong, local customer service.

Our sales efforts involve developing new relationships with key decision makers and maintaining existing ones. Our entire team is involved in understanding our customers' needs and ensuring delivery of the services that customers desire. Additionally, our company engages in marketing activities to generate brand awareness and advertise career opportunities in order to continue to attract talented VFX professionals from around the world.

Some of the marketing tools that we use:

- **Specialized Website:** Our user-friendly website functions as a comprehensive platform, exhibiting our wide portfolio and offering relevant contact information. Visitors can explore our services and observe the excellence of our visual effects work across many mediums, thanks to intuitive design and clear navigation. The website serves as a portal for potential customers, providing quick access to important information and allowing for seamless interaction, representing our commitment to transparency and accessibility in the visual effects industry.

- **Targeted Advertising:** To accurately target demographics and sectors interested in our VFX services, we use internet advertising platforms like as Google Ads and social network ads. We personalize our messaging to engage with targeted audiences through strategic ad campaigns, demonstrating our skill in visual effects for industries such as film, advertising, gaming, and more. These targeted initiatives enable us to reach out to potential customers that are looking for top-tier VFX solutions, increasing our visibility and engagement in our specialized markets.

- **Networking with Industry Professionals:** Through networking events, conferences, and online communities, we aggressively create partnerships with filmmakers, production companies, and industry experts. We make important contacts, exchange insights, and forge collaborations within the VFX industry through various channels. We not only stay current on industry trends by participating in these forums, but we also demonstrate our skills, building collaborations that often lead to new projects and prospects, and reinforcing our presence as a trusted and capable organization within the filmmaking and production scene.

- **Content Marketing:** We create comprehensive and interesting content like blog posts, essays, and whitepapers that delve into VFX trends, techniques, and industry insights, establishing our company as a credible authority in the field. We hope to educate and engage our audience while displaying our competency and thought leadership within the evolving landscape of visual effects by sharing our skills and knowledge through various channels. These products not only educate, but also help to cement our image as a go-to source for essential insights and knowledge in the VFX business.

- **Social Media Marketing:** We use social media sites to display our visual effects work, actively communicate with our audience, and participate in relevant VFX community debates. We promote a dynamic and engaging presence by sharing our projects, behind-the-scenes glances, and industry insights, which connects us with fans, experts, and future customers. These platforms act as vibrant hubs for exchanging ideas, networking, and staying up to current on the newest trends, allowing us to make valuable contributions to the VFX community while broadening our reach and visibility within the industry.

- **Partnerships and Collaborations:** We form strategic alliances with similar firms and studios in order to increase our reach and offer bundled services in the visual effects scene. These agreements enable us to combine our strengths, providing integrated and comprehensive solutions that address a wide range of customer needs. We strengthen our service offerings and gain access to new markets by leveraging the experience and resources of our partners, resulting in synergies that benefit both our businesses and our customers.

- **Attend Trade Shows and Events:** We constantly engage in industry-specific trade exhibitions and events, such as VFX summits, to showcase our work, network with potential customers, and remain current on industry trends. These events provide us with important opportunities to display our visual effects portfolio, network with industry colleagues, and learn about new technology. We not only increase our visibility within the VFX community by participating in these events, but we also take opportunities to establish new alliances, obtain future projects, and gain insights that put us at the forefront of developing trends in the visual effects business.

- **Quality Demo Reels:** We create fascinating demo reels that clearly showcase the range and excellence of our VFX work, which we strategically share across our website and social media platforms. These reels serve as dramatic visual storytelling, displaying our visual effects skills, originality, and diversity. We hope to engage audiences, attract potential customers, and reinforce our position as a global authority in delivering high-quality VFX solutions by displaying our best projects and broad talents.

- **Online Portals and Directories:** Ensure our business is listed on relevant online directories and portals catering to the film, television, and advertising industries. This enhances our visibility among potential customers searching for VFX services.

- **Localized Marketing:** We tailor our marketing efforts to the regions where our customers are located. This may involve language-specific content, understanding regional preferences, and participating in local industry events.

Utilities

Our studio cum registered office and branch offices located in Maharashtra and Uttar Pradesh are well equipped with computer systems, internet connectivity, communication equipment, and other facilities which are required for our business operations to function smoothly. Our offices have adequate water supply arrangements for human consumption which is procured from local authority and meets its power requirements through private companies or state electricity board.

Intellectual Property

Trademarks registered/objected/opposed/abandoned in the name of our Company:

S. No.	Brand Name/Logo Trademark	Class	Nature of Trademark and Application Number	Owner	Date of Application	Validity/ Renewed up to	Current Status
1.	IDENTICAL BRAINS VFX ACADEMY THINK VFX THINK IB	41	Wordmark 5908216	Identical Brains Private Limited	April 25, 2023	April 25, 2033	Registered

Human Resource

Our success hinges upon the expertise and dedication of our employees, who are guided and supported by our skilled middle and senior management teams. Through their combined efforts, we cultivate a culture of excellence that propels us forward and sets us apart from our competitors. As on July 31, 2024, our team comprises 110 individuals, encompassing a diverse range of roles and expertise, including contracted professional artists. This multifaceted composition underscores our commitment to assembling a dynamic workforce capable of meeting the varied demands of our industry. With a comprehensive team structure in place, we are well-positioned to address challenges, seize opportunities, and drive sustainable growth across all facets of our operations. The breakdown of our Company's full-time employees which includes contracted artists in different functionalities as of July 31, 2024 has been provided below:

Department / Function	No. of Personnel
Key Managerial Personnel	3
Production	6
Prep-Cleanup	34
Rotoscopy	19
VFX	3
Composting	25
Computer Graphics Imagery	6
Matte Paint	2
Editing	1
Motion Graphics	2
Administration	1
Accounts and Finance	2
Human Resource, Operations and Information Technology	5
Business Development	1
Total	**110**

Our company regularly hires temporary employees for projects on an as-needed basis. Labour laws in India (applicable to employees but not to independent professionals) provide minimum standards regarding annual paid and unpaid leave, sick leave, maternity leave and other provisions regarding leave from work, severance pay, pension contributions and other terms of employment.

None of our employees are represented by a labour organisation or union or covered by collective bargaining agreements. As on date of this Draft Red Herring Prospectus, our company has not experienced any labour-related work stoppage. Our directors consider our company relations with its employees to be good.

Our company believes that one of the key reasons for our success is its people. Our company trains its human resources team to comply with the latest employment and selection best practices. Our company recognises the importance of human capital and values it highly. Our human resources vision is to create a committed workforce through people, enabling processes and knowledge sharing practices based upon our value system.

Our future success will depend, in part, on its ability to continue to attract, retain and motivate highly qualified creative, technical and managerial personnel for whom competition is intense. We do not anticipate any material turnover in staff at this time or in the reasonably foreseeable future.

Competition

We face intense competition from the Indian and multinational companies. DNEG India, a subsidiary of the global VFX giant DNEG, is a visual effects (VFX) studio based in Mumbai, India and was established in 2006. DNEG India offers a comprehensive range of VFX services, including: Compositing, Character Animation, Creature Design and Animation, Environment Creation, Simulation, Pre-Visualization and Concept Art. DNEG India has contributed to a wide range of films such as Interstellar, Blade Runner 2049, Tenet, Dune and Indian films as well. Phantom Digital Effects Limited, established in 2016, is a leading visual effects and animation studio that has delivered thousands of shots for feature films, web series, and television commercials across the globe. It provides services such as Visual Effects, Animation, Concept Art, Previsualization and VFX Supervision. It has worked on iconic projects such as Mission: Impossible - Fallout, Game of Thrones, RRR, Flash, Ghostbusters, Baahubali 2: The Conclusion, etc. Prime Focus Limited is a global leader in media and entertainment services and was founded in 1997. It has a workforce of over 8,000 professionals spread across 16 cities and 4 continents. It provides services such as Stereo 3D Conversion, Animation, VFX, Computer-Generated Imagery, Digital Production, Animatics, And Stop Motion, Digital Intermediate, Colour Grading, Sound and Picture Post, Visual Effects, Broadcast Packaging, etc. It has contributed to projects such as Edge of Tomorrow, Kong: Skull Island, Robin Hood, The Jungle Book, etc. Digikore Studios Limited is a leading visual effects studio based in India and was founded in 2000. It provides services such as Rotoscope, Wire and Rig Removal, Reflection Removal, Muzzle Flash Compositing, Beauty Fixes, General Cleanup, Compositing, Match Moving, Set Extension, Crowd Simulation, Specialized Computer-Generated Imagery Techniques and VFX for 360-Degree Footage. It has worked on projects such as Stranger Things, Game of Thrones, Haider, Deadpool, etc. (*Source: D&B Report*)

See "*Risk Factors- Risks relating to our Business-Competition from other providers of services or new technologies to the visual entertainment industry could adversely affect our business.*" on page 40.

Collaboration

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

Insurance

Our operations are subject to various risks inherent in our industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events covering damage to Furniture & Fixtures, Fittings and other equipment, Electrical/Electronic Items, Electrical fittings installation, fire etc for all our premises. These insurance policies are renewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Properties

Following properties are taken on lease / sub-lease/ leave & license by our company:

Sr No.	Date of the agreement	Name of owner	Area of the property	Address of the property	Period of agreement	Rent (amount in ₹)	Purpose
1.	April 05, 2023	SJI Hospitality and Foods Private Limited	Approx. 2000 sq. fts.	802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India	3 years from April 07, 2023 till April 06, 2026	1st year - ₹ 4.50 Lakhs per month 2nd year - ₹ 4.95 Lakhs per month 3rd year - ₹ 5.44 Lakhs per month	Registered Office and Studio
2.	July 15, 2024	Himank Gupta	Approx 1,900 sq. fts.	48B, Shringar Nagar, Manak Nagar Station Road, Alambagh, Lucknow – 226 005, Uttar Pradesh, India	11 months	₹ 0.40 Lakhs per month	Branch Office

Sr No.	Date of the agreement	Name of owner	Area of the property	Address of the property	Period of agreement	Rent (amount in ₹)	Purpose
3.	January 12, 2022	Arvindkumar Lalchand Jain	Approx 800 sq. fts.	Flat No. 201, Mayur Plaza, Near Plilia Hospital, Tembhode Road, Palghar – 401 404, Maharashtra, India	33 months	1st year - ₹ 0.13 Lakhs per month 2nd year - ₹ 0.1365 Lakhs per month 3rd year - ₹ 0.143 Lakhs per month	Branch Office
4.	August 01, 2024	Sameer Rai	Approx 5,400 sq. fts.	1578, Plot No. 16, Saheed Nagar, Pushpendra Nagar Marg, Near Rajvansh Apartment, Gaushala Road, Lucknow – 226 025, Uttar Pradesh, India	11 months	₹ 0.60 Lakhs per month	Proposed Branch Office

KEY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 2013, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business of providing computer-generated visual effects (“**VFX**”) services.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye–laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of business of providing computer-generated visual effects (“**VFX**”) services. Taxation statutes such as the I.T. Act, GST Act, and applicable Labour laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.*

Approvals

For the purpose of the business undertaken by our Company, its required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “*Government and Other Approvals*” on page 237.

Applicable Laws and Regulations

Business and/or Key Industry and/or Trade Related Laws and Regulations

Indian Cinematograph Act, 1952

The Cinematograph Act, 1952, (“Cinematograph Act”), authorizes the Central Government to constitute a Board of Film Certification, (also known as the “Central Board of Film Certification” or “CBFC”), in accordance with the Cinematograph (Certification) Rules, 1983, (“Certification Rules”), for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to apply in the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether, the film:

- is suitable for unrestricted public exhibition; or
- is suitable for unrestricted public exhibition, with a caution that the question as to whether any child below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child; or is suitable for public exhibition restricted to adults; or
- is suitable for public exhibition restricted to members of any profession or any class of persons having regard to the nature, content and theme of the film; or
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified there from; or
- is not suitable for unrestricted or restricted public exhibitions, i.e., that the film be refused a certificate.

A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government under the Cinematograph Act within thirty days from the date of such order.

Furthermore, the Cinematograph (Amendment) Act, 2023 received the assent of the President of India on August 4, 2023. It is a significant update to India's film certification laws, aimed at modernizing the regulatory framework governing the film industry. It enhances the powers of the Central Board of Film Certification (CBFC), allowing it to re-examine films even after certification if new information or public order concerns arise. It also introduces new age-based certification categories (U/A 7+, U/A 13+, U/A 16+), providing more nuanced guidance for viewers. Additionally, it imposes stricter penalties for film piracy, including jail terms and hefty fines, to combat the illegal distribution of films. It reflects the evolving landscape of film consumption and aims to balance creative freedom with societal sensitivities and legal requirements.

Censorship and Content Guidelines by Central Board of Film Certificate
The Central Board of Film Certification (CBFC) is a statutory body of certification in the Ministry of Information and Broadcasting in the Government of India. It aims at "regulating the public exhibition of films under the provisions of the Cinematograph Act 1952." CBFC regulates the content of films to ensure they adhere to legal and moral standards. Censorship and content guidelines are established to protect public morality, prevent the spread of harmful content, and ensure films are suitable for audiences based on age and sensitivity. The CBFC assesses films for explicit content, violence, language, and themes, assigning ratings to indicate appropriate audience age groups. Their guidelines are designed to balance creative freedom with societal norms and legal requirements.

It issues four certificates. Initially, there were two: U, an unrestricted public exhibition with family-friendly movies, and A, restricted to adult audiences but any type of nudity was not allowed. Added in June 1983 were two more, which are U/A, unrestricted public exhibition with parental guidance for children below 12, and S, restricted to specialized audiences such as doctors or scientists. The board may refuse to certify a film. Additionally, V/U, V/UA, and V/A are used for video films with U, U/A, and A carrying the same meaning as above. In the case of cinema and television, films can only be exhibited publicly upon the board's certification and modification if deemed necessary.

The Cinematograph Film Rules, 1948
The Cinematograph Film Rules, 1948, laid the groundwork for regulating film certification and exhibition in India after independence. It specified the steps filmmakers needed to follow to obtain certification from the Central Board of Film Censors, which later became the Central Board of Film Certification (CBFC). It crucial in defining the board's authority and responsibilities, including the criteria for categorizing films into different classifications, such as "U" (Universal) and "A" (Adult), based on audience suitability.

Beyond establishing the certification process, it also sets forth comprehensive guidelines for the licensing of cinema operators, the conditions under which films could be exhibited, and the enforcement of penalties for any violations. It is key to preserving public order and protecting societal morals by ensuring that films did not contain content considered obscene, inflammatory, or otherwise harmful. It thus played a significant role in shaping the early regulatory framework for films in India, reflecting the cultural and social values of the time while giving the government the means to monitor and control the content shown to the public.

Cinematograph (Certification) Rules, 2024
The Cinematograph (Certification) Rules, 2024, build upon the amendments introduced by the Cinematograph (Amendment) Act, 2023, establishing a comprehensive regulatory framework for film certification in India. It defines the specific criteria and guidelines for assigning films to various age-based certification categories such as U, U/A 7+, U/A 13+, U/A 16+, and A (adult). It is designed to ensure that films are assessed for content suitability across different age groups, reflecting societal sensitivities and legal standards.

In addition to outlining the certification process, it clarifies the roles and responsibilities of the Central Board of Film Certification (CBFC), including its authority to review and, if necessary, re-certify films in response to public complaints or emerging concerns. It also introduces measures to safeguard against the unauthorized distribution of films, with a focus on preventing piracy. By setting clear standards for content evaluation and public exhibition, it aims to strike a balance between creative expression and the need to protect public interest and order.

Information Technology Act, 2000
The Information Technology Act, 2000 ("IT Act") has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures, and also provides for civil and criminal liability including fines and imprisonment for various offences. The IT Act prescribes various offences, including relating to unauthorized access of computer systems, unauthorized disclosure of confidential information and frauds emanating from computer applications. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. Additionally, the IT Act creates liability for negligence in dealing with or failure to protect sensitive personal data, and gives protection to intermediaries in respect of liabilities for third party information made available to or hosted by them.

Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021
The Ministry of Electronics and Information Technology, GoI, notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (the "Intermediary and Digital Media Rules") on February 25, 2021. The Intermediary and Digital Media Rules make provisions in relation to intermediaries, social media intermediaries and significant social media intermediaries. The Intermediary and Digital Media Rules impose due diligence obligations in relation to all such intermediaries, including the duty to publish rules and regulations, the privacy policy and the user agreement for access to or usage of the intermediary's computer resource by any person. Such rules and regulations, privacy policies and user agreements are required to inform the user of the computer resource to not engage in certain information which includes, among others, information that is in violation of law, or impersonates another person, is defamatory or

obscene. The intermediaries are further required to take reasonable measures to ensure that the reasonable security practices and procedures under the Reasonable Security Practices Rules are followed. All intermediaries are also required to establish a mechanism to redress grievances and publish details of the grievance officer. An intermediary that fails to observe the Intermediary and Digital Media Rules could be punished under applicable law, including the IT Act and the Indian Penal Code, 1860. It also requires that the intermediaries receiving, storing, transmitting or providing any service with respect to electronic records to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediary and Digital Media Rules, and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011

In accordance with the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "Reasonable Security Practices Rules"), certain classes of bodies corporate are required to have security practices and standards in place in respect of personal information, including sensitive personal data or information. Additionally, such body corporates are required to maintain a comprehensive documented information security programme and information security policies containing managerial, technical, operational and physical security control measures commensurate with the information assets being protected with the nature of business. It governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as ―electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. It is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act

Software Technology Parks Scheme

Software Technology Parks of India ("STPI") was set up in 1991 as an autonomous society under the Ministry of Electronics and Information Technology (MeitY). STPI's main objective has been the promotion of software exports from the country. In order to build leadership and to build next wave of budding entrepreneurs in the emerging sectors of technology like Internet of things (IoT), Blockchain, FinTech, Artificial Intelligence (AI), Augmented & Virtual Reality (AR/VR), ESDM, Data Science & Analytics, Medical Electronics & Healthcare, Gaming & Animation, Machine Learning, Cyber Security, Drone Tech, Legal Tech etc., STPI has embarked on launching Centre of Entrepreneurship (CoEs) in specific domains pan-India.

Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The MSMED Act is an act to provide for facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. This statue constitutes a board called the 'National Board for Micro, Small and Medium Enterprises' (MSME Board) and lays down the constitution, powers and function of the MSME Board. The MSMED Act under section 7 specifies the classification of various enterprises and sets up an advisory committee to examine the matters referred to it by the MSME Board.

In order to achieve the promotion, development and enhancing the competitiveness of micro, small and medium enterprises, MSMED Act provides various benefits to the registered entities in the following manner: introducing various subsidies, schemes and incentives; grant of credit facilities; introduce various skill development programs for the workers, employees, management, technology up-gradation, cluster development schemes; provide funds by way of government grants, etc.

Digital Personal Data Protection Act, 2023

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the "DPB") and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

Laws relating to specific state where establishment is situated

Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (the "Act")
Under the provisions of the Act, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Maharashtra Tax on Professions, Trade, Callings and Employments Act, 1975 (the "Act")
The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State, acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

The Uttar Pradesh Dookan Aur Vanijya Adhishthan Niyamavali, 1963
Under the provisions of the Act, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

General Corporate Compliance

Companies Act, 2013 (the 'Companies Act")
The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Indian Contract Act, 1872
The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as void or voidable. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

The Registration Act, 1908 ("Registration Act")
The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Competition Act, 2002
The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates ―combinations‖ in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

The Consumer Protection Act, 2019

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

Specific Relief Act, 1963

The Specific Relief Act, 1963(the "Act") is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Employment and labour laws

The Code on Wages, 2019 (the "Code")

The Code received the assent of the President of India on August 8, 2019. The Code is yet to be notified in the Official Gazette. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

  Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

  The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the "PoB Act")**

  The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

  The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The Act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Code on Social Security, 2020

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employees' State Insurance Act, 1948, the

Employee's Compensation Act,1923 and the Payment of Gratuity Act, 1972. Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the laws that the code shall subsume, are currently as follows –

- **Employees' State Insurance Act, 1948 (the "ESI Act")**
  It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **The Employees' Compensation Act, 1923**
  The Employees' Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The said Act makes every employer liable to pay compensation, if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

- **Payment of Gratuity Act, 1972 (the "Act")**
  The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

- **Maternity Benefit Act, 1961 (the "Act")**
  The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**
  The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976
The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995
Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall

apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")
In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")
The "CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

Tax related legislations

Income Tax Act, 1961 ("IT Act")
The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017 (the "GST Act")
The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Intellectual property legislations

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000
- The Patent Act, 1970

The Acts applicable to our Company will be:

Trade Marks Act, 1999
The Trademark Act provides for the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Applications for a trademark registration may be made for in one or more classes. Once granted, trademark registration is valid for ten years unless cancelled.

The Trade Mark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trade mark in other countries.

Other laws

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992 ("FTA"), provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government may: (i) make provisions for facilitating and controlling foreign trade; (ii) prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ("FEMA") was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India 102 and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2019

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2019, brought about important revisions to the regulatory framework for foreign investments in India. It was aimed at fostering a more investment-friendly environment by simplifying the rules for foreign investors. Notably, it eased restrictions on foreign direct investment (FDI) across multiple sectors, allowing for greater participation by foreign entities and individuals in the Indian market. It also streamlined the procedures for the transfer of shares, debentures, and other securities by non-residents, reducing the bureaucratic hurdles previously faced by foreign investors. Additionally, it provided clearer guidelines on compliance, helping to reduce ambiguities and ensure that foreign investments adhered to Indian laws more effectively. Overall, these changes were part of a broader effort by the Indian government to enhance the ease of doing business, increase the inflow of foreign capital, and position India as a more attractive destination for global investors by aligning its policies with international standards.

The Foreign Trade Policy, 2023

The Foreign Trade (Development & Regulation) Act, 1992 empowers the Central Government to formulate and announce, by way of a notification, the foreign trade policy from time to time. The Foreign Trade Policy, 2023 ("Foreign Trade Policy"), which came into effect from April 1, 2023, contains provisions relating to export and import of goods and services. The Foreign Trade Policy provides the general provisions governing imports and exports in India, duty exemption or remission schemes, and policies relating to various export promotion schemes, export-oriented units, electronics hardware technology parks, software technology parks and bio-technology parks, among others. The Foreign Trade Policy mandates all importers and exporters of goods to obtain Importer Exporter Code ("IEC") from the Director General of Foreign Trade ("DGFT"). For export of services or technology, IEC shall be necessary on the date of rendering services for availing benefits under the Foreign Trade Policy.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our company was incorporated as a One Person Company under the name "*Identical Brains (OPC) Private Limited*" under the provisions of the Companies Act, 2013 vide certificate of incorporation dated February 04, 2019 issued by the Assistant Registrar of Companies, Central Registration Centre, Manesar. Further, our company was converted from a OPC to private limited company pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on April 02, 2021 and the name of our Company was changed to "*Identical Brains Private Limited*" with a fresh Certificate of Incorporation dated July 08, 2021 issued by the RoC. Subsequently, the name of our company was changed to "*Identical Brains Studios Private Limited*" pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on March 22, 2024, consequent upon which, a fresh certificate of incorporation dated June 18, 2024 was issued by the Assistant Registrar of Companies, Central Registration Centre, Manesar. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on June 21, 2024 and the name of our Company was changed to "*Identical Brains Studios Limited*" with a fresh certificate of incorporation dated August 12, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre.

Changes in the Registered Office of our Company

Except as stated below, our Company has not changed its registered office since its incorporation:

Date of change	Details of change	Reasons for change
December 12, 2022	Registered office of our Company was changed from A/201, Tania Heritage, Alkapuri Achole, Achole, Thane – 401 203, Maharashtra, India to 404, Maple Heights CHS. LTD., Shivaji Nagar, Kurar Village, Malad East, Mumbai – 400 097, Maharashtra, India	Operational convenience
January 15, 2024	Registered office of our Company was changed from 404, Maple Heights CHS. LTD., Shivaji Nagar, Kurar Village, Malad East, Mumbai – 400 097, Maharashtra, India to 802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri (West), Mumbai – 400 053, Maharashtra, India	Operational convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To carry business in the field of audio and visual media, fashion shows, cinefilms, audio and visual programmes, film making jingles, still and other photography, ad spots, copy writing, scripting, image boosting blue prints, animation films, designing of posters, blimps, slogan writing, creative writing, music videos, publishing books, newsletters related to features documents.*

2. *To carry on activities such as to produce and direct motion pictures, TV Films, feature films, publications, their marketing and distribution, to do business as studio owner, theatre owner, to run and maintain studio, theatres film producing centre and including event management and movie fashions shows and trans light.*

3. *To carry on in India or abroad the business of advertising and publicity agents, consultant and contractors and for this purpose to purchase, sell sponsor, charter, manage, acquire, undertake, hold, provide and promote, publicity or advertising time space or opportunity on and radio station, broadcasting centre, television centre, music video and music audios video cassettes, audio cassette, hoarding, neon signs, electronic display board, cinema cable network, newspapers, magazines, souvenirs and all other present and future medias or display devices including electronic media through internet.*

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Nature of Amendment
April 02, 2021	Clause I. of our Memorandum of Association was amended to reflect the change in name of our Company from 'Identical Brains (OPC) Private Limited' to 'Identical Brains Private Limited' pursuant to the conversion of our Company into a private limited Company
December 21, 2023	Clause V. of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹10,00,000 consisting of 1,00,000 Equity Shares of ₹10/- each to ₹12,00,00,000 consisting 1,20,00,000 Equity Shares of ₹10/- each
March 05, 2024	Clause I. of our Memorandum of Association was amended to reflect the change in name of our Company from 'Identical Brains Private Limited' to 'Identical Brains Studios Private Limited', pursuant to the name change of our Company
June 21, 2024	Clause V. of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹12,00,00,000 consisting 1,20,00,000 Equity Shares of ₹10/- each to ₹15,00,00,000 consisting 1,50,00,000 Equity Shares of ₹10/- each
June 21, 2024	Clause I. of our Memorandum of Association was amended to reflect the change in name of our Company from 'Identical Brains Studios Private Limited' to 'Identical Brains Studios Limited', pursuant to the conversion of our Company into a public limited Company

Major Events and Milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Key Events/Milestones/Achievements
2019	Incorporation as One Person Company and commencement of our business operations with 4 artists in Thane
2020	VFX Project for *Scam 1992 – The Harshad Mehta Story*
	Our Company became PAT positive for Fiscal 2020
	Our Company's revenue from operations crossed ₹300.00 Lakhs
2021	Conversion of our company from One Person Company to Private Limited Company
2022	VFX Project for *Satyamev Jayate 2* and *Rocket Boys Season - 1*
	Commenced operations in Palghar
2023	Certified TPN-audited VFX Studio from Trusted Partner Network, LLC, a California Limited Liability Company
	Increased team strength to 120+ employees including contracted artists in approx. 2,000 Sq. ft. Studio located at Andheri West
	VFX Project for *Phone Bhoot, Rocket Boys Season – 2, Adipurush, Indian 2*
	Our Company's revenue from operations crossed ₹800.00 Lakhs and PAT crossed ₹150.00 Lakhs
	Commenced operations in Lucknow
2024	VFX Project for *Article 370, The Crew, Murder in Mahim, Khel Khel Mein*
	Our Company's revenue from operations crossed ₹2,000.00 Lakhs and PAT crossed ₹500.00 Lakhs
	The name of our company was changed from *'Identical Brains Private Limited'* to *'Identical Brains Studios Private Limited'*
	Conversion from Private Limited to Public Limited Company

Awards, Accreditations or Recognition

The table below sets forth the Awards received by our Company:

Calendar Year	Awards
2021	Received Filmfare OTT Awards for Best Visual Effects for web series - *Scam 1992: The Harshad Mehta Story*
2022	Received Filmfare OTT Awards for Best Visual Effects in association with Variate Studios LLP for web series - *Rocket Boys*
2023	Received Dadashaheb Phalke Award for Best Visual Effects for movie - *Phone Bhoot*

Launch of Key Products or Services, Entry or Exit in new geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see "- *Major Events and Milestones of our Company*" and "*Our Business*" on pages 188 and 158, respectively.

Financial or Strategic Partners

Our Company does not have any financial or strategic partners as on the date of filing this Draft Red Herring Prospectus.

Time or Cost Overruns

There has been no time and cost overruns in the setting up of projects by our Company since incorporation.

Defaults or Rescheduling / Restructuring of Borrowings with Financial Institutions / Banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Revaluation of Assets

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding acquisition or divestment of Business or Undertakings

There have been no material acquisitions or divestments of business or undertakings by our Company in the last 10 years.

Mergers or Amalgamations

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

Shareholders' Agreements

There are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters and/or our Shareholders, agreements of like nature and clauses / covenants which are material to our Company. Further, there are no clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company.

Agreements with Key Managerial Personnel, Senior Management, Director, Promoters or any other Employee

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Guarantees provided by our promoters and Directors in relation to loans availed by our Company

As on the date of this Draft Red Herring Prospectus, neither our Promoters nor our directors have provided any guarantees to third parties in relation to the loans availed by our Company.

Other Material Agreements

Our Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

Our Holding Company, Associates and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company, associate or joint venture.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting. As on the date of filing this Draft Red Herring Prospectus, our Company has five Directors on the Board, two are Executive Directors, one is non-executive woman director and two are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other Directorships
Raghvendra Rai *Designation:* Chairman and Managing Director *Date of Birth:* December 20, 1990 *Age:* 33 years *Address:* A-404, Maple Heights CHS Ltd, Shivaji Nagar, Kurar Village, Malad East, Mumbai – 400 097, Maharashtra, India *Occupation:* Business *Current Term:* For a period of five years with effect from January 15, 2024 *Period of directorship:* Director since incorporation of our Company *DIN:* 08351262	*Indian Companies:* Nil *Foreign Companies:* Nil
Sameer Rai *Designation:* Executive Director *Date of Birth:* February 20, 1995 *Age:* 29 years *Address:* Village Post, Mahuja Newada, Sohauli, Azamgarh, Bardah - 276 301, Uttar Pradesh, India *Occupation:* Business *Current Term:* With effect from January 15, 2024 and liable to retire by rotation *Period of directorship:* Director since January 15, 2024 *DIN:* 09075325	*Indian Companies:* Nil *Foreign Companies:* Nil
Stevina Alban Vaity *Designation:* Non-Executive Director	Nil

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other Directorships
Date of Birth: July 08, 1989 *Age:* 35 years *Address:* Vaity House, L.M. Road, Kandarpada, Dahisar East, Mumbai – 400 068, Maharashtra, India *Occupation:* Salaried *Current Term:* With effect from March 05, 2024 and liable to retire by rotation *Period of directorship:* Director since March 05, 2024 *DIN:* 10520816	
Shridhar Sanjay Tari *Designation:* Independent Director *Date of Birth:* October 20, 1996 *Age:* 27 years *Address:* A-13/3, Panchsheel (B), Apartment, Lokmanya Nagar, Pada No-2, Near Ganesh Mandir, Yashodhan Nagar, Thane West, Thane – 400 606, Maharashtra, India *Occupation:* Salaried *Current Term:* For a period of five years with effect from March 05, 2024 *Period of directorship:* Director since March 05, 2024 *DIN:* 10525833	Nil
Rakesh Ramchandra Pawar *Designation:* Independent Director *Date of Birth:* February 18, 1988 *Age:* 36 years *Address:* 402, Coral A Wing, Highland Heaven, Saket Road, Balkum Pada Number 3, Thane West, Mumbai – 400 608, Maharashtra, India *Occupation:* Business *Current Term:* For a period of five years with effect from March 05, 2024 *Period of directorship:* Director since March 05, 2024 *DIN:* 10528355	Nil

Brief Profile of our Directors

Raghvendra Rai is the Chairman and Managing Director on the Board of our Company. He has completed his Bachelor of Arts from V.B.S. Purvanchal University, Jaunpur, Uttar Pradesh. He has approximately ten years of experience in the field of visual effects, media and entertainment. He was previously associated with Digikore Studios Private Limited and Drishyam Films Private Limited as the VFX Roto Supervisor. He has also worked with Maya Digital Studios Private Limited and Prime Focus Limited in his capacity as a consultant.

Sameer Rai is the Executive Director on the Board of our Company. He holds a bachelor's degree in Science from Dr. C.V. Raman University, Bilaspur, Chhattisgarh. He was associated with Drishyam Films Private Limited as a Trainee and thereafter joined our company as a Studio Head in the year 2019. He has around eight years of experience in the field of visual effects, media and entertainment.

Stevina Alban Vaity is the Non-Executive Director on the Board of our Company. She holds Master degree in Environmental Law, Bachelor's degree in Law and Bachelor's degree in Legal Sciences from the University of Mumbai. She has more than ten years of experience in the field of Law, conducting legal research in arbitration, cross border contractual transactions, service laws, contract laws, etc. She is currently working as Assistant Team Lead (Legal) with Integreon Managed Solutions (India) Private Limited.

Shridhar Sanjay Tari is an Independent Director on the Board of our Company. He has completed his Master of Commerce and Bachelor in Commerce from the University of Mumbai. He has around seven years of experience in accounts and finance. He was previously associated with A.P. Mishra & Associates, Chartered Accountants as Junior Accountant, Quasar Consultancy Pvt Limited as Accounts Executive for client Euronet Services India Private Limited and Poonawalla Housing Finance Limited as a Senior Executive. He is currently providing independent professional services for Taxation and Accounting matters to his clients.

Rakesh Ramchandra Pawar is an Independent Director on the Board of our Company. He has completed his Master of Business Administration from Punjab Technical University and holds Master degree and Bachelor degree in Commerce from the University of Mumbai. He has around eighteen years of experience in accounts and finance. He was previously associated with VFS Global Services Pvt Ltd as Senior Manager - Finance, Constellation Blu Management Consultants LLP as Chief Accountant, Label Mobile Media Pvt Ltd as Manager - Accounts and Finance, Shashwat International Limited as Manager – Accounts and MIS and S.K Kadam & Co, Chartered Accountants as Accounts and Audit Assistant. He is currently working as Senior Manager – Accounts with Remiges Technologies Pvt Ltd.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

Further, none of our directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Relationships between our Directors and the Key Managerial Personnel or Senior Management

Except for Raghvendra Rai and Sameer Rai, being brothers to each other, and Stevina Alban Vaity and Alban Joseph Vaity, being spouses to each other, none of our other directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers

In accordance with our Articles of Association, the applicable provisions of the Companies Act, and pursuant to a resolution passed by our Board in its meeting held on February 29, 2024, and a resolution passed by our Shareholders at their extra ordinary general meeting held on March 05, 2024, our Board is authorised to borrow, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers) exceeding the aggregate of the paid-up share capital, free reserves and securities premium provided that the total amount so borrowed by the Board shall not at any time exceed ₹20,000.00 lakhs or the aggregate of the paid-up share capital, free reserves and securities premium of the Company or as may be specified in the applicable provisions of law, whichever is higher.

Terms of Appointment of our Directors

a) Terms of employment of our Executive Director

Raghvendra Rai, Chairman and Managing Director

Raghvendra Rai was appointed as the Director since incorporation. His designation was changed to Chairman and Managing Director of our Company pursuant to a resolution passed by our Directors in their Board meeting held on January 15, 2024, for a period of five years with effect from January 15, 2024 and by passing the resolution, the same was ratified by our Shareholders at their extraordinary general meeting held on June 21, 2024 on such terms and remuneration as provided in the appointment letter provided by our Company.

The details of the remuneration that Raghvendra Rai is entitled to and the other terms of his employment are enumerated below:

1. ***Remuneration:*** Remuneration of ₹36.00 Lakhs p.a. as decided by the Board of Directors. Any increment in salary, as may be determined by the Board shall be within the threshold specified as per the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

2. ***Reimbursement of Expenses:*** Reimbursement of actual entertainment expenses, expenses incurred for travelling, boarding and lodging; and provision to use cars for the Company's business and fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.

Sameer Rai, Executive Director

Sameer Rai was appointed as the Studio Head in our company and was appointed as Additional Director of our company pursuant to a resolution passed by our Board of Directors at their meeting held on January 15, 2024. Subsequently, he was appointed as an Executive Director pursuant to resolution passed by our Board of Directors at their meeting held on February 29, 2024 and a resolution passed by our Shareholders at their extraordinary general meeting held on March 05, 2024 on such terms and remuneration as provided in the appointment letter provided by our Company.

The details of the remuneration as ratified by our Shareholders at their extraordinary general meeting held on June 21, 2024 that Sameer Rai is entitled to and the other terms of his employment are enumerated below:

1. ***Remuneration:*** Remuneration of ₹12.00 Lakhs p.a. as decided by the Board of Directors. Any increment in salary, as may be determined by the Board shall be within the threshold specified as per the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

2. ***Reimbursement of Expenses:*** Reimbursement of actual entertainment expenses, expenses incurred for travelling, boarding and lodging; and provision to use cars for the Company's business and fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered at perquisites.

b) Sitting fees to Non-Executive and Independent Directors

Pursuant to a resolution passed by our Board of Directors dated August 17, 2024, our Non-Executive and Independent Directors are entitled to receive sitting fees of ₹0.07 lakhs and ₹0.04 lakhs for attending each meeting of our Board and the committees constituted by our Board, respectively. Further, our Non-Executive and Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI LODR Regulations.

Except as disclosed above, our Company has not entered into any contract appointing or fixing the remuneration of a director, Whole-time Director or manager in the two years preceding the date of this Draft Red Herring Prospectus.

Payments or Benefits to our Directors

a) **Raghvendra Rai, Chairman and Managing Director**

In Fiscal 2024, he received salary of ₹27.61 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR regulations. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

b) **Sameer Rai, Executive Director**

In Fiscal 2024, he received professional fees of ₹15.68 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR regulations.

c) **Stevina Alban Vaity, Non-Executive Director**

She was appointed as a director on our Board of Directors on March 05, 2024 and she was not entitled to any remuneration in Fiscal 2024.

d) **Shridhar Sanjay Tari, Independent Director**

He was appointed as a director on our Board of Directors on March 05, 2024 and he was not entitled to any remuneration in Fiscal 2024.

e) **Rakesh Ramchandra Pawar, Independent Director**

He was appointed as a director on our Board of Directors on March 05, 2024 and he was not entitled to any remuneration in Fiscal 2024.

Remuneration paid or payable to our Directors by our Subsidiary or Associate

Our company does not have any subsidiary or associate as on date of filing this Draft Red Herring Prospectus.

Contingent and deferred compensation payable to Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or Profit-Sharing Plan for the Directors

Except as set out in "– *Terms of appointment of our directors*" on page 193, our Company does not have any performance linked bonus or a profit-sharing plan in which our directors have participated.

Shareholding of our Directors

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Name of the shareholder	No. of Equity Shares	% of the pre-Issue paid up share capital	% of the post-Issue paid up share capital
Raghvendra Rai	88,50,600	85.66%	[●]%
Sameer Rai	89,400	0.87%	[●]%
Total	**89,40,000**	**86.53%**	[●]%

Our Articles of Association do not require our directors to hold qualification shares.

Interest of Directors

All our directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. Raghvendra Rai and Sameer Rai may be deemed to be interested to the extent of remuneration paid to them for services rendered as officers of our Company. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 31.

Our directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. For further details regarding the shareholding of our directors, see "*– Shareholding of our Directors*" on page 194.

Further, our directors may also be directors on the boards, or are shareholders, of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 31.

There is no material existing or anticipated transaction whereby our directors will receive any portion of the proceeds from the Issue.

Interest in promotion of the Company

As on the date of this Draft Red Herring Prospectus, except for Raghvendra Rai and Sameer Rai who are the Promoters of our Company, none of our other directors are interested in the promotion of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 206.

Interest in land and property

Our directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Further, our directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Loans to Directors

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Other Confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce such Director to become or to help such Director qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our directors in the last three years:

Name	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
Anant Ramdas Gawali	Additional Director	April 01, 2021	Appointment as Additional Director
Umesh Rai	Additional Director	September 30, 2021	Appointment as Additional Director
Anant Ramdas Gawali	Additional Director	October 01, 2021	Resignation u/s 168 of the Companies Act, 2013 due to personal commitments
Sameer Rai	Additional Director	January 15, 2024	Appointment as Additional Director
Umesh Rai	Additional Director	January 15, 2024	Resignation u/s 168 of the Companies Act, 2013 due to personal commitments
Raghvendra Rai	Chairman and Managing Director	January 15, 2024	Appointment as Chairman and Managing Director
Stevina Alban Vaity	Non-Executive Director	March 05, 2024	Appointment as Non-Executive Director
Shridhar Sanjay Tari	Independent Director	March 05, 2024	Appointment as Independent Director
Rakesh Ramchandra Pawar	Independent Director	March 05, 2024	Appointment as Independent Director

Note: This table does not include details of regularisations of Additional Directors.

Corporate Governance

In accordance with the Regulation 15 (2) (b) of SEBI LODR Regulations, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of Regulation 46 (2) of SEBI LODR Regulations and Para C, D and E of Schedule V of SEBI LODR Regulations shall not apply in respect of listed company which has listed its specified securities on the SME Exchange. Hence, only the provisions of the Companies Act, 2013 with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on SME Platform of NSE.

Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof. As on the date of this Draft Red Herring Prospectus, we have five Directors on the Board, of whom two are Executive Directors, one is Non - Executive Woman Director and two are Independent Directors.

Committees of our Board

In terms of the provisions of the Companies Act, 2013, our Company has constituted the following committees of our Board:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders' Relationship Committee

a) Audit Committee

The Audit Committee was constituted by our Board through its resolution dated August 17, 2024. It is in compliance with Section 177 of the Companies Act. The current constitution of the Audit committee is as follows:

Name of the Directors	Position in the Committee	Designation
Rakesh Ramchandra Pawar	Chairman	Independent Director
Shridhar Sanjay Tari	Member	Independent Director
Raghvendra Rai	Member	Chairman and Managing Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013. Its terms of reference are as follows:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee of the Company;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required; and

(5) such other powers as may be prescribed under the Companies Act.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for the appointment, re-appointment, replacement remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

   ii) Changes, if any, in accounting policies and practices and reasons for the same

   iii) Major accounting entries involving estimates based on the exercise of judgment by management

   iv) Significant adjustments made in the financial statements arising out of audit findings

   v) Compliance with listing and other legal requirements relating to financial statements

   vi) Disclosure of any related party transactions; and

   vii) Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the half yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / Bid of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / Prospectus / notice and the report submitted by the monitoring agency, appointed if any, monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company;

Explanation: The term "related party transactions" shall have the same meaning provided in the Companies Act, 2013.

(11) approval of related party transactions to which the subsidiary of the Company is a party;

(12) scrutiny of inter-corporate loans and investments;

(13) valuation of undertakings or assets of the Company, and appointing a registered valuer in terms of Section 247 of the Companies Act, wherever it is necessary;

(14) evaluation of internal financial controls and risk management systems;

(15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(16) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(17) discussion with internal auditors of any significant findings and follow up there on;

(18) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(19) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(20) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(22) reviewing the functioning of the whistle blower mechanism;

(23) monitoring the end use of funds raised through public offers and related matters;

(24) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(25) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(26) to formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(27) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(28) approving the key performance indicators for disclosure in its offering documents;

(29) reviewing compliance with the provisions of the SEBI PIT Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

(30) carrying out any other functions required to be carried out by the Audit Committee as contained in the Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time; and

(31) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

(32) Such other matters as may be prescribed under the applicable laws from time to time.

(33) The aforesaid shall be governed by the applicable provisions/limits/threshold provided in Companies Act, 2013, as amended from time to time.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The Audit Committee is required to meet at least four times in a year. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors.

b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by our Board through its resolution dated August 17, 2024. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act. The current constitution of the Nomination and Remuneration committee is as follows:

Name of the Directors	Position in the Committee	Designation
Shridhar Sanjay Tari	Chairman	Independent Director
Rakesh Ramchandra Pawar	Member	Independent Director
Stevina Alban Vaity	Member	Non-Executive Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. Its terms of reference are as follows:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

    The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

    (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

    (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;

(3) Formulation of criteria for evaluation of independent directors and the Board;

(4) Devising a policy on Board diversity;

(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(6) Analysing, monitoring and reviewing various human resource and compensation matters;

(7) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(8) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(9) Recommending to the board, all remuneration, in whatever form, payable to non-executive directors and the senior management, as may be deemed necessary;

(10) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the Companies Act, 2013 or any other applicable law, as and when amended from time to time;

(11) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(12) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

(13) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(14) Administering the ESOP Scheme including the following:

    i. Determining the eligibility of employees to participate under the ESOP Scheme;

ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

iii. Date of grant;

iv. Determining the exercise price of the option under the ESOP Scheme;

v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

x. The grant, vest and exercise of option in case of employees who are on long leave;

xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;

xii. The procedure for cashless exercise of options;

xiii. Forfeiture/ cancellation of options granted

xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;

- for this purpose, global best practices in this area may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(15) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the SEBI PIT Regulations;

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(c) SEBI LODR Regulations by the Company and its employees, as applicable.

(16) Specifying the manner for effective evaluation of performance of the Board and independent directors to be carried out by the Nomination and Remuneration Committee; and

(17) Perform such other activities as may be delegated by the Board or specified / provided under the Companies Act, 2013 to the extent notified and effective, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee is required to meet at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board through its resolution dated August 17, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Position in the Committee	Designation
Stevina Alban Vaity	Chairman	Non-Executive Director
Shridhar Sanjay Tari	Member	Independent Director
Raghvendra Rai	Member	Managing Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with the Companies Act. Its terms of reference are as follows:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(2) Review of measures taken for effective exercise of voting rights by shareholders;

(3) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(4) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of Bidder services;

(5) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(6) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(7) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(8) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;

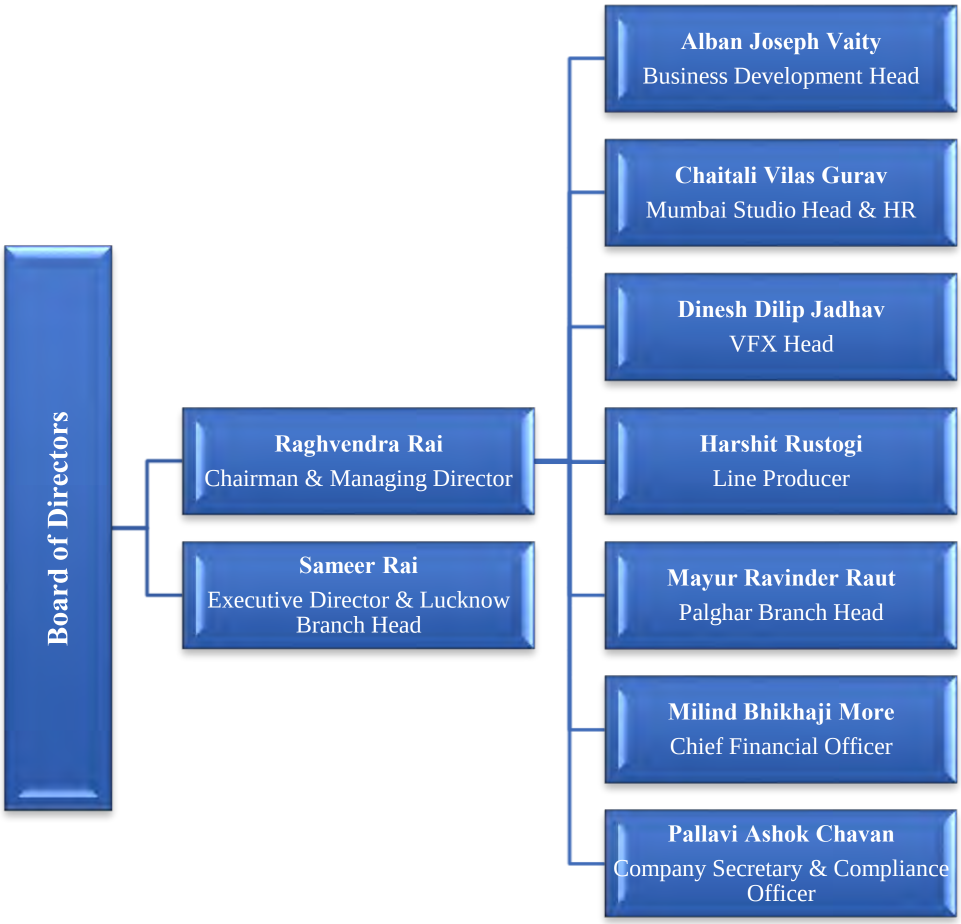
(9) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s);

(10) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, or by any other regulatory authority; and

(11) Such terms of reference as may be prescribed under the Companies Act.

The Stakeholders' Relationship Committee is required to meet at least once in a year.

Management Organization Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Raghvendra Rai, the Chairman and Managing Director of our Company, whose details are provided in "– *Brief profiles of our Directors*" on page 191, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Milind Bhikajirao More is the Chief Financial Officer of our Company. He has been associated with our company since October 2023 as Accounts Head. He holds Bachelor degree in Commerce from the University of Mumbai. He has work experience for more than ten years in the field of Finance and Accounts and was previously associated with Carnival Films Entertainment Private Limited as Manager – Finance and Accounts. In our Company, he is responsible for preparing and reviewing budgets and financial statements, financial planning and providing strategic directions. In Fiscal 2024, he received salary of ₹2.14 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with SEBI ICDR regulations. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Pallavi Ashok Chavan is the Company Secretary and Compliance Officer of our Company from February 2024. She has completed her Bachelor of Commerce and Bachelor of Law from the University of Mumbai. She is an Associate member of the Institute of Company Secretaries of India. She is responsible for the Secretarial, Legal and Compliance division of our Company along with investor and other stakeholders' relationships. She has four years of experience in the legal and secretarial functions and was previously associated with Athena Constructions Limited. In Fiscal 2024, she received salary of ₹0.20 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with SEBI ICDR regulations. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Senior Management

In addition to the Executive Directors of our Company and the Key Managerial Personnel, whose details are provided in "– *Brief profiles of our Directors*" and "– *Key Managerial Personnel*" on pages 191 and 202, respectively, the details of our Senior Management, as on the date of this Draft Red Herring Prospectus, are as set forth below:

Alban Joseph Vaity is the Business Development Head of our Company. He holds Degree of Bachelor of Commerce from University of Mumbai and has completed Post-Graduation Diploma in Management (Operations Management) from Welingkar Institute of Management. His proficiency extends to market trend analysis, competitor tracking and data analysis, ensuring informed decision-making for business growth. Also, he oversees employee engagement, identifies market opportunities, manages client relationships, leads project creative meetings, and contributes to policy drafting. He was appointed as Assistant Manager in our company in 2022 and then was promoted to Business Development Head in 2023. He has previously worked with Carnival Films Entertainment Private Limited as Manager-Customer Service. In Fiscal 2024, he received salary of ₹7.15 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Chaitali Vilas Gurav is the Mumbai Studio Head - Human Resource and Operations of our Company. She holds Degree of Bachelor of Commerce from the University of Mumbai and a Diploma in Human Resource Management from Prin. L.N. Welingkar Institute of Management Development and Research. She has been associated with our company since August 21, 2021. Her responsibilities include develop, implement, and monitor operational systems, overseeing financial transactions, managing budgets, and fostering a culture of continuous improvement. She has strong leadership skills to manage resources and dynamic organizational skills to sustain day-to-day operations to meet our company's goals. She was previously associated with Carnival Films Entertainment Pvt Ltd and NY VFXWAALA LLP as a Senior Executive in Human Resources and White Apple LLP as Manager-Human Resource and Operations. In Fiscal 2024, she received professional fees of ₹11.01 lakhs from our Company.

Dinesh Dilip Jadhav is the VFX Head of our Company. He joined our Company in 2021 as Supervisor - Compositor. He holds certificate of Diploma in Future Arts with specialization in visual effects from Autodesk Authorized Training Center, United States of America. He is proficient in various aspects of 2D/3D compositing techniques, showcasing a strong visual imagination, creative problem-solving skills, and an in-depth knowledge of industry-standard software and tools. He is detail-oriented, driven by a passion for perfection, adaptable to dynamic work environments, and excels in communication and interpersonal skills. In Fiscal 2024, he received professional fees of ₹11.00 lakhs from our Company.

Harshit Rastogi is the Line Producer of our Company. He has been associated with our Company since 2021. His professional skill set encompasses strong management skills, team management, production knowledge, and persuasive communication skills. In his roles, Harshit has undertaken various responsibilities, including ensuring smooth project delivery, managing teams and workflow, tasking shots, creating and maintaining databases, coordinating with clients and outsource vendors, organizing dailies rounds and project meetings, recording shot notes, and effectively monitoring multiple projects. Prior to joining our company, he has worked with Silver Cloud Studios Private Limited as VFX Co-Ordinator. In Fiscal 2024, he received professional fees of ₹7.80 lakhs from our Company.

Mayur Ravindra Raut is the Palghar Branch Head of our Company. He joined our company in 2021 as Lead - Prep Clean Up. He has been serving as a VFX Paint Lead within the studio, showcasing his proficiency in managing and leading projects. He has passed Secondary School Certificate Examination from Maharashtra State Board of Secondary and Higher Secondary Education, Pune. His commitment to excellence extends to his role as a Freelancer from 2020 to 2021, where he operated as a self-employed professional. During this period, Mayur collaborated with TRACE VFX as a VFX Paint Lead for Hollywood projects, showcasing his versatility and skills in the global VFX landscape. He was also associated with Cinegence Media Private Limited and Prime Focus World Creative Services Private Limited. In Fiscal 2024, he received salary of ₹6.23 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Relationships among Key Managerial Personnel, Senior Management and Directors

Except as specified in "– *Relationships between our Directors and Key Managerial Personnel or Senior Management*", none of our Key Managerial Personnel or the Senior Management are related to each other or to the Directors of our Company.

Arrangements or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Key Managerial Personnel or our Senior Management have been appointed pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel or the Senior Management in last three years

Except as mentioned below, and as specified in "– *Changes to our Board in the last three years*" on page 195, there have been no changes in the Key Managerial Personnel or Senior Management during the preceding three years:

Name	Date of Change	Reason for Change
Raghvendra Rai	January 15, 2024	Appointment as Chairman and Managing Director
Milind Bhikajirao More	January 15, 2024	Appointment as Chief Financial Officer
Pallavi Ashok Chavan	February 29, 2024	Appointment as Company Secretary and Compliance Officer
Alban Joseph Vaity	September 01, 2022	Appointment as Assistant Manager
Chaitali Vilas Gurav	August 01, 2021	Appointment as Studio Head - Human Resource & Operations

The rate of attrition of our Key Managerial Personnel and our Senior Management is not high in comparison to the industry in which we operate.

Status of our Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Service Contracts and retirement or termination benefits

Other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, our Key Managerial Personnel or Senior Management is entitled to any benefits upon termination of employment, including under any service contract with our Company. Further, other than the respective employment agreements/appointment letters entered into by our Key Managerial Personnel or Senior Management with our Company, none of our Directors, Key Managerial Personnel or Senior Management have entered into a service contract/appointment letter with our Company pursuant to which they are entitled to such statutory benefits upon termination of their employment in our Company.

Shareholding of the Key Management Personnel and Senior Management

None of our KMPs or senior management holds any shares of our Company as on the date of this Draft Red Herring Prospectus except as stated in the below table:

Key Managerial Personnel

Name	No. of Equity Shares	% of the pre-Issue paid up share capital	% of the post-Issue paid up share capital
Raghvendra Rai	88,50,600	85.66%	[●]%

Senior Management

Name	No. of Equity Shares	% of the pre-Issue paid up share capital	% of the post-Issue paid up share capital
NA	NA	NA	NA

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2024, which does not form part of their remuneration for such period.

Bonus or Profit-Sharing Plan of Key Management Personnel and Senior Management

Except as set out in "– *Terms of appointment of our Directors*" on page 193, our Company does not have any performance linked bonus or a profit-sharing plan in which our Key Managerial Personnel and the Senior Management participate. Our Company makes bonus payments to our Key Managerial Personnel or the Senior Management, in accordance with their terms of appointment.

Interest of Key Managerial Personnel and Senior Management

For further details of the interest of our Executive Directors in our Company, see "*–Interest of Directors*" on page 194.

Our Key Managerial Personnel and the Senior Management are interested in our Company to the extent of the remuneration (including any variable pay or sales-linked incentives), or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 31.

Our Key Managerial Personnel and the Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company and any share-based employee benefit receivable by them.

None of our Key Managerial Personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There are no other loans and advances which have been made by the Company to any of its Key Managerial Personnel or Senior Management, or person/entity related to them.

Employee Stock Option Plan

Our Company does not have an employee stock option scheme as on the date of this Draft Red Herring Prospectus.

Payment or benefit to Officers of our Company (Non-Salary Related)

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, Senior Management, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated in "*– Interests of Directors*" on page 194, "*– Interest of Key Managerial Personnel and Senior Management*" on page 204 and as stated in "*Other Financial Information - Related Party Transactions*" on page 213, no amount or benefit in kind has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management except remuneration and re-imbursements for services rendered as Directors, officers or employees of our Company.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are our Individual Promoters, Raghvendra Rai and Sameer Rai.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 89,40,000 Equity Shares, representing 86.53% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For details on the shareholding of our Promoters and the members of Promoter Group in our Company, please see "*Capital Structure – Details of Shareholding of our Promoters and members of the Promoter Group in the Company – Build-up of the Promoters' shareholding in our Company*" on page 82.

Details Of Our Promoters

Individual Promoters

Raghvendra Rai

	**Raghvendra Rai,** aged 33 years, is the Promoter, Chairman and Managing Director of our Company. For the complete profile of Raghvendra Rai along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 190. His Permanent Account Number is AWJPR6682E. As on date of this Draft Red Herring Prospectus, Raghvendra Rai holds 88,50,600 Equity Shares, representing 85.66% of the issued, subscribed and paid-up equity share capital of our Company.

Sameer Rai

	**Sameer Rai,** aged 29 years, is the Promoter and Executive Director of our Company. For the complete profile of Sameer Rai along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 190. His Permanent Account Number is CFWPR0618J. As on date of this Draft Red Herring Prospectus, Sameer Rai holds 89,400 Equity Shares, representing 0.87% of the issued, subscribed and paid-up equity share capital of our Company.

Our Company confirms that the permanent account number, Aadhaar card number, driving license number, bank account numbers and the passport number of Raghvendra Rai and Sameer Rai will be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Change in Control of our Company

Raghvendra Rai is the original promoter of our Company. There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. Pursuant to a resolution passed by the Board of Directors at their meeting held on August 17, 2024, Sameer Rai has been also identified as a 'Promoter' since he is brother of Raghvendra Rai and is contributing Equity Shares towards the Promoters' Contribution in order to satisfy the requirements under Regulations 236 and 238 of the SEBI ICDR Regulations. Further, Sameer Rai is leading the Lucknow Branch of our company and is involved in the day-to-day management and affairs of the Company, and is appointed as Executive Director on the Board of the Company.

Interest of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company, the shareholding of their relatives in our Company, or the shareholding of entities in which our Promoters are interested, in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" on page 79.

Further, our Individual Promoters may also be director on the boards, or a shareholder, of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see "*Other Financial Information – Related Party Transactions*" on page 213.

Our Individual Promoters may also be deemed to be interested to the extent of remuneration, benefits, reimbursements of expenses, sitting fees and commission payable to them as Directors on our Board. For further details, see "*Our Management – Payments or Benefits to our Directors*" and "*Our Management – Interest of Directors*" on pages 193 and 194, respectively.

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify him as a director, or otherwise for services rendered by Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Companies or Firms from which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

Payment or Benefits to Promoters or members of Promoter Group

Except as disclosed herein and as stated in "*Other Financial Information – Related Party Transactions*" at page 213, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural Persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Raghvendra Rai	Rekha Raghvendra Rai	Spouse
	Umesh Rai	Father
	Kiran Rai	Mother
	Sameer Rai & Ankur Rai	Brothers
	Anshiv Raghvendra Rai	Son

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
	Siya Raghvendra Rai	Daughter
	Triveni Rai	Spouse's Father
	Tara Rai	Spouse's Mother
	Rani Rai	Spouse's Sister

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Sameer Rai	Umesh Rai	Father
	Kiran Rai	Mother
	Raghvendra Rai & Ankur Rai	Brothers

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Raghvendra Rai HUF
2. AR Creations (Partnership Firm)

DIVIDEND POLICY

Our Board of Directors, pursuant to a resolution dated August 17, 2024, have adopted a dividend distribution policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profitable growth of our Company and specifically profits earned during the financial year, earning stability and outlook, past dividend pattern, cash flow position of our Company, capital expenditure to be incurred by our Company, accumulated reserves, statutory requirements like transfer to statutory reserve fund, liquidity position of the company including its working capital requirements and debt servicing obligations. In addition, our ability to pay dividends may be impacted by a number of factors such as economic environment, changes in the Government policies, industry specific rulings and regulatory provisions, industry outlook for the future years, and inflation rate. Our Company may decide against paying dividend due to, inter alia, inadequacy of profits or whenever the Company has incurred losses, undertaking of or proposal to undertake a significant expansion project requiring higher allocation of capital, and undertaking of any acquisitions or joint arrangements requiring significant allocation of capital. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 233. Our Company may pay /dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Risks Related to the Issue - We cannot assure payment of dividends on the Equity Shares in the future.*" on page 60.

SECTION VII – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
Identical Brains Studios Limited,
802, 803 and 804 Crescent Royale,
Veera Desai Road off,
New Link Road, Mumbai – 400 053,
Maharashtra, India

Dear Sirs,

Reference: Proposed Initial Public Offering (IPO) of Identical Brains Studios Limited

1. We, S C Mehra & Associates LLP, Chartered Accountants ("we" or "us") have examined the attached Restated Summary Statements of **Identical Brains Studios Limited** (hereinafter referred to "the Company" or "Issuer") comprising the Restated Summary Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Summary Statement of Profit & Loss, the Restated Summary Statement of Changes in Equity for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Summary Statement of Cash Flow for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the material accounting policies and explanatory notes (Collectively the "**Restated Summary Statements**") as approved by the Board of Directors in their meeting held on 21st August, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, the "Offer Document") in connection with its proposed Initial Public Offering ("IPO"), prepared by the Company in accordance with the requirements of:-

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
    b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("ICDR Regulations"); and
    c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

Management's Responsibility for the Restated Summary Statements

2. The Management of the Company is responsible for the preparation of the Restated Summary Statements for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Mumbai in connection with the proposed Initial Public Offering. The Restated Summary Statements have been prepared by the management of the Company for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022 as stated in Annexure XIII. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Summary Statements. The Management is also responsible for identifying and ensuring that the company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Summary Statements taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter the proposed Initial Public Offering (IPO) of the Company;
    b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
    d) The requirements of Section 26 of the Act and the ICDR Regulations.

    Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Initial Public Offering (IPO).

4. The management has informed that the Company proposes to make an IPO, which comprises of fresh issue of equity shares having a face value Rs. 10 each, at such premium, arrived at by the book building process, as may be decided by the Board of Directors of the Company.

Restated Summary Statements

5. This Restated Summary Statements of the Company have been compiled by the management from:

   a) Audited Financial Statements of the Company audited by us for the year ended March 31, 2024 which have been prepared by the Company in accordance with Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division I of Schedule III to the Companies Act, 2013 (AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on August 10, 2024.

   b) Audited Financial Statements of the Company audited by M/s A P Mishra & Associates, Chartered Accountants, for the ended March 31, 2023 and March 31, 2022 which have been prepared by the Company in accordance with the generally accepted accounting policies and as approved by the Board of Directors at their meeting held on August 28, 2023 and September 19, 2022 respectively.

Auditors Report

6. For the purpose of our examination, we have relied on:

   a) Auditors' Report issued us, dated August 10, 2024 on the financial statements of the company as at and for the year ended March 31, 2024 as referred to in Paragraph 5(a) above; and

   b) Auditors' Report issued by M/s A P Mishra & Associates, Chartered Accountants, dated August 28, 2023 and September 19, 2022 for the financial year ended March 31, 2023 and March 31, 2022 respectively as referred to in Paragraph 5(b) above.

7. Based on our examination and according to the information and explanation given to us, we report that the Restated Summary Statements:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

   b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;

   c) have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial year ended March 31, 2024, March 31, 2023, and March 31, 2022 proposed to be included in the Offer Document for the proposed of Initial Public Offering (IPO).

Particulars	**Note No.**
Restated Summary Statements of Share Capital and Reserves and Surplus	Annexure IV 3, 4
Restated Summary Statement of Long Term Provisions	Annexure IV 5
Restated Summary Statement of Short Term Provisions	Annexure IV 6
Restated Summary Statement of Trade Payables	Annexure IV 7
Restated Summary Statement of Other Current Liabilities	Annexure IV 8
Restated Summary Statement of Property, Plant and Equipment and Intangible Assets	Annexure IV 9
Restated Summary Statement of Depreciation & Amortization	Annexure IV 9
Restated Summary Statement of Deferred Tax Assets / Liabilities	Annexure IV 10

Restated Summary Statement of Non-Current Assets	Annexure IV 9, Annexure IV 10
Restated Summary Statement of Cash & Cash equivalents	Annexure IV 11
Restated Summary Statement of Short -Term Loans and Advances	Annexure IV 12
Restated Summary Statement of Other Current Assets	Annexure IV 13
Restated Summary Statement of Revenue from Operations	Annexure IV 14, 15
Restated Summary Statement of Cost of Services	Annexure IV 16
Restated Summary Statement of Employee Benefits Expenses	Annexure IV 17
Restated Summary Statement of Finance Cost	Annexure IV 18
Restated Summary Statement of Other Expenses	Annexure IV 19
Restated Summary Statement of Earnings per share	Annexure IV 20
Restated Summary Statement of Contingent Liabilities	Annexure IV 21
Restatement Summary Statement of Dividends	Annexure IV 22
Restated Summary Statement of Related Party Transaction	Annexure IV 23
Restated Summary Statement of Long Term and Short-Term borrowings/Statement of principle Term of Secured loan and Assets charges as security and **Statement** of term & Condition of unsecured Loans	Annexure V
Restated Summary Statement of Non-Current Investments	Annexure VI
Restated Summary Statement of Trade Receivables	Annexure VII
Restatement Summary Statement of Other Information	Annexure VIII
Restated Summary Statement of Mandatory Accounting Ratios	Annexure IX
Restatement of Summary Statement of Material Adjustments	Annexure X
Restatement Summary Statement of Capitalization	Annexure XI
Restatement Summary Statement of Tax Shelter	Annexure XII
Significant Accounting Policy and Notes to the Restated Summary Financial Statements	Annexure XIII

Opinion

9. In our opinion and to the best of information and explanation provided to us, the Restated Summary Statements and the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts are prepared after providing appropriate adjustments and regroupings as considered appropriate.

10. We, M/S. S C Mehra & Associates LLP, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India and our peer Review Certificate is valid as on the date of signing of this report.

11. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be constructed as a new opinion on any of the financial statements referred to therein.

13. We have no responsibility to update our report for events and circumstance occurring after the date of the report.

14. In our opinion, the above Restated Summary Statements and Restated Financial Information along with Annexures of this report read with the respective Significant Accounting Polices and Notes to Accounts are prepared after regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Restriction on Use

15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed Initial Public Offering (IPO) of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For S C Mehra & Associates LLP
Chartered Accountants
F.R. No. – 106156W
UDIN. : 24111968BKBNUU9408

CA Arun N Maniyar
Partner
M. No. : 111968

Date: 21st August, 2024
Place: Mumbai

IDENTICAL BRAINS STUDIOS LIMITED
CIN-U22219MH2019PLC320624
Annexure I
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Assets and Liabilities

	Annexures/Note No.	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES				
Shareholder's funds				
Share capital	Annexure IV, Note 3	688.80	1.00	1.00
Reserves and surplus	Annexure IV, Note 4	514.82	287.51	126.23
Total shareholder's funds		**1,203.62**	**288.51**	**127.23**
LIABILITIES				
Non-current liabilities				
Long-term borrowings	Annexure V	15.07	-	-
Long-term provisions	Annexure IV, Note 5	2.89	1.22	0.42
Total non-current liabilities		**17.96**	**1.22**	**0.42**
Current liabilities				
Short-term borrowings	Annexure V	3.97	-	-
Trade payables	Annexure IV, Note 6			
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small		176.39	81.50	67.51
Other current liabilities	Annexure IV, Note 7	96.64	41.95	12.69
Short-term provisions	Annexure IV, Note 8	203.81	62.32	18.53
Total current liabilities		**480.81**	**185.77**	**98.73**
Total liabilities		**498.77**	**186.99**	**99.15**
TOTAL EQUITY AND LIABILITIES		**1,702.39**	**475.50**	**226.37**
ASSETS				
Non-current assets				
Property, plant and equipment	Annexure IV, Note 9	113.10	25.26	4.35
Intangible Assets	Annexure IV, Note 9	103.91	10.91	0.27
Investments	Annexure VI	512.05	141.60	25.00
Deferred tax assets (net)	Annexure IV, Note 10	1.46	0.35	0.30
Total non-current assets		**730.52**	**178.13**	**29.92**
Current Assets				
Trade receivables	Annexure VII	612.91	50.65	52.12
Cash and cash equivalents	Annexure IV, Note 11	180.03	167.08	88.26
Short term loans and Advances	Annexure IV, Note 12	9.30	0.61	7.10
Other current assets	Annexure IV, Note 13	169.63	79.04	48.98
Total current assets		**971.87**	**297.37**	**196.46**
TOTAL ASSETS		**1,702.39**	**475.50**	**226.38**

IDENTICAL BRAINS STUDIOS LIMITED
CIN-U22219MH2019PLC320624
Annexure I
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Assets and Liabilities

Note:
The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in various Annexures.

The notes are an integral part of these restated financial information

As per our report of even date attached

For S C Mehra & Associates LLP Chartered Accountants F.R. No.: 106156W UDIN: 24111968BKBNUU9408		For and on behalf of the Board of Directors of Identical Brains Studios Limited		
CA Arun N Maniyar	**Milind More**	**Pallavi Chavan**	**Raghvendra Rai**	**Sameer Rai**
Partner	**Chief Financial Officer**	**Company Secretary**	**Managing Director**	**Director**
M.No: 111968		**A40773**	**DIN: 08351262**	**DIN: 09075325**
Place: Mumbai	**Place: Mumbai**	**Place: Mumbai**	**Place: Mumbai**	**Place: Mumbai**
Date: 21st August, 2024	**Date: 21st August, 2024**	**Date: 21st August, 2024**	**Date: 21st August, 2024**	**Date: 21st August, 2024**

IDENTICAL BRAINS STUDIOS LIMITED

CIN-U22219MH2019PLC320624

Annexure II

(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Profit and Loss

	Annexures/NoteNo.	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from operations	Annexure IV, Note 14	2,008.80	804.29	389.29
Other income	Annexure IV, Note 15	17.58	3.97	1.46
Total income		**2,026.38**	**808.26**	**390.75**
Expenses				
Cost of services	Annexure IV, Note 16	879.48	402.56	180.25
Employee benefits expense	Annexure IV, Note 17	101.05	83.45	88.45
Finance costs	Annexure IV, Note 18	2.02	0.29	0.37
Depreciation and amortisation expense	Annexure IV, Note 9	39.92	11.90	2.16
Other expenses	Annexure IV, Note 19	266.57	86.51	50.26
Total expenses		**1,289.03**	**584.71**	**321.49**
Profit before tax		**737.35**	**223.55**	**69.26**
Tax expenses				
Current tax		203.81	62.32	18.53
Tax relating to earlier periods		-	-	-
Deferred tax (credit)/charge	Annexure IV, Note 10	(1.11)	(0.05)	(0.28)
Net profit for the period/ year after tax		**534.65**	**161.28**	**51.01**
Earnings per equity share:				
Basic and diluted earnings per share (In Rs.) (Nominal value of share Rs.10 each)	Annexure IV, Note 20	5.18	1.56	0.49

Note:
The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in various Annexures.

The notes are an integral part of these restated financial information

As per our report of even date attached

For S C Mehra & Associates LLP	**For and on behalf of the Board of Directors of**			
Chartered Accountants	**Identical Brains Studios Limited**			
F.R. No.: 106156W				
UDIN: 24111968BKBNUU9408				
CA Arun N Maniyar	**Milind More**	**Pallavi Chavan**	**Raghvendra Rai**	**Sameer Rai**
Partner	**Chief Financial Officer**	**Company Secretary**	**Managing Director**	**Director**
M.No: 111968		**A40773**	**DIN: 08351262**	**DIN: 09075325**
Place: Mumbai	**Place: Mumbai**	**Place: Mumbai**	**Place: Mumbai**	**Place: Mumbai**
Date: 21st August, 2024	**Date: 21st August, 2024**	**Date: 21st August, 2024**	**Date: 21st August, 2024**	**Date: 21st August, 2024**

IDENTICAL BRAINS STUDIOS LIMITED

CIN-U22219MH2019PLC320624

Annexure III
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Cash Flows

		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flows from operating activities**			
	Net profit before tax and extraordinary items	**737.35**	**223.55**	**69.26**
	Adjustments :			
	Depreciation and amortization	39.92	11.90	2.16
	Interest income	(16.62)	(3.27)	(1.46)
	Interest expense	1.49	-	-
	Increase / (decrease) in Gratuity provision	1.67	0.80	0.42
	Operating Profit before working capital changes	**763.81**	**232.98**	**70.38**
	Movements in working capital :			
	Decrease/ (Increase) in trade receivables	(562.26)	1.47	(51.33)
	Decrease/ (Increase) in Other current Assets	(90.59)	(30.05)	(7.74)
	(Decrease) / Increase in trade payables	94.88	14.00	(29.44)
	(Decrease) / Increase in other current liabilities	54.69	29.26	(6.04)
	Decrease /(Increase) loans and advances	(8.69)	6.49	25.65
	(Decrease) / Increase in short term provisions	141.50	43.79	5.66
	Working capital changes	**(370.47)**	**64.95**	**(63.23)**
	Cash generated from operations	393.34	297.93	7.14
	Current tax paid	(203.81)	(62.32)	(18.53)
	Net cash flows from operating activities	**189.53**	**235.61**	**(11.39)**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment (net of sale)	(220.76)	(43.46)	(4.22)
	Purchase of non current investments	(370.45)	(116.60)	(14.69)
	Interest received	16.62	3.27	1.46
	Net cash used in investing activities	**(574.59)**	**(156.79)**	**(17.44)**
C	**Cash flows from financing activities**			
	Proceeds / (repayment) from long term borrowings (net)	15.07	-	-
	Proceeds / (repayment) from short term borrowings (net)	3.97	-	-
	Proceeds from issue of share capital	380.46	-	-
	Interest paid	(1.49)	-	-
	Net cash from financing activities	**398.02**	**-**	**-**
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	12.95	78.82	(28.83)
	Cash and cash equivalents at beginning of the year/period	167.08	88.26	117.09
	Cash and cash equivalents at the end of the year	**180.03**	**167.08**	**88.26**

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of cash and cash equivalents			
Balance with banks in current accounts	176.31	165.09	87.41
Cash in hand as certified by management	3.72	1.99	0.85
Total cash and cash equivalents	**180.03**	**167.08**	**88.26**

Notes:
1) The above Cashflow Statement has been prepared under the 'Indirect Method' as set out in AS 3, "Cash Flow Statement "
3) Figures in brackets represent out flow of Cash and cash equivalents.
4) The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in various Annexures.

As per our report of even date attached

For S C Mehra & Associates LLP
Chartered Accountants
F.R. No.: 106156W
UDIN: 24111968BKBNUU9408

For and on behalf of the Board of Directors of
Identical Brains Studios Limited

CA Arun N Maniyar
Partner
M.No: 111968
Place: Mumbai
Date: 21st August, 2024

Milind More
Chief Financial Officer
Place: Mumbai
Date: 21st August, 2024

Pallavi Chavan
Company Secretary
A40773
Place: Mumbai
Date: 21st August, 2024

Raghvendra Rai
Managing Director
DIN: 08351262
Place: Mumbai
Date: 21st August, 2024

Sameer Rai
Director
DIN: 09075325
Place: Mumbai
Date: 21st August, 2024

IDENTICAL BRAINS STUDIOS LIMITED

Annexure IV

(All amounts are in Indian Rupees lacs)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
3. Equity share capital, as restated			
Authorized:			
Equity share capital			
1,20,00,000 (2024: 1,20,00,000; 2023: 1,00,000; 2022: 1,00,000) equity shares of Rs. 10 each	120.00	10.00	10.00
	120.00	**10.00**	**10.00**
Issued, subscribed and fully paid-up:			
Equity share capital			
68,87,972 (2024: 68,87,972; 2023: 10,000; 2022: 10,000) equity shares of Rs. 10 each	688.80	1.00	1.00
	688.80	**1.00**	**1.00**

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity share capital						
At the beginning of the year	10,000	1.00	10,000	1.00	10,000.00	1.00
Private placement of Equity shares	1,557	0.16				
Bonus shares issued	68,76,415	687.64	-	-	-	-
At the end of the year	**68,87,972**	**688.80**	**10,000.00**	**1.00**	**10,000.00**	**1.00**

3.2 Details of Equity shares issued through private placement and bonus shares

During the year ended 31st March 2024, the company on 15th December 2023 allotted 1557 equity shares of face value of Rs. 10/- each through private placement at a premium of Rs.25,490/- each share.

During the year ended 31st March 2024, the company on 21st December 2023 allotted 68,76,415 bonus shares of face value of Rs. 10/- each. The bonus issue of share has been made in the ratio of 595 : 1 (ie 595 (five hundred ninty Five) fully paid up equity share for every 1 (one) Equity share held to the shareholders.

Significant event : On 01st July, 2024 , the company has allotted 3443986 bonus shares of face value of Rs. 10/- each. The bonus issue of share has been made in the ratio of 1:2 (i.e.1 (One) fully paid up equity share for every 2 (Two) Equity share held to the shareholders.

IDENTICAL BRAINS STUDIOS LIMITED

Annexure IV

(All amounts are in Indian Rupees lacs)

3. Equity share capital, as restated *(continued)*

3.3 Details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity share capital						
Raghvendra Rai	59,00,400	85.66%	9,900	99.00%	9,900	99.00%

3.4 Note for verification of shareholding pattern

As per records of the company including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

3.5 Details of shares held by promoters

As at 31st March 2024

Promoter Name	No. of Shares in the beginning of year	Change during the year	No. of Shares in the end of year	% of Total Shares
Equity share capital				
RAGHVENDRA RAI	9,900	58,90,500	59,00,400	85.66%
SAMEER RAI	100	59,500	59,600	0.87%
Total	**10,000**	**59,50,000**	**59,60,000**	**87%**

As at 31st March 2023

Promoter Name	No. of Shares in the beginning of year	Change during the year	No. of Shares in the end of year	% of Total Shares
Equity share capital				
RAGHVENDRA RAI	9,900	0	9,900	99%
UMESH RAI	100	0	100	1%
Total	**10,000**	**0**	**10,000**	**100%**

As at 31st March 2022

Promoter Name	No. of Shares in the beginning of year	Change during the year	No. of Shares in the end of year	% of Total Shares
Equity share capital				
RAGHVENDRA RAI	9,900	-	9,900	99%
UMESH RAI	100	-	100	1%
Total	**10,000**	**-**	**10,000**	**100%**

IDENTICAL BRAINS STUDIOS LIMITED

Annexure IV

(All amounts are in Indian Rupees lacs)

		As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
4. Reserves and surplus, as restated				
Surplus in the statement of profit and loss				
Balance as at the beginning of the year		287.51	126.23	75.22
Add: Net profit after tax transferred from Statement of Profit and Loss		534.65	161.28	51.01
Less: Transfer to share capital for issue of bonus share		(307.34)	-	-
Balance as at the end of the year	A	**514.82**	**287.51**	**126.23**
Share Premium				
Balance as at the beginning of the year		-	-	-
Add: Issue of share of 1557 @ Rs. 25490/- each share through Private Placement		396.88	-	-
Less: Issue of bonus share		(380.30)	-	-
Less: Issue Expenses		(16.58)		
Balance as at the end of the year	B	**(0.00)**	**-**	**-**
Balance as at the end of the year		**514.82**	**287.51**	**126.23**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV

(All amounts are in Indian Rupees lacs)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
5. Long Term Provisions, as restated			
Non-Current			
Provision for employee benefits			
Gratuity	2.89	1.22	0.42
	2.89	**1.22**	**0.42**
6. Short Term Provisions, as restated			
Current			
Provision for employee benefits			
Compensated absences			
(a) Gratuity	-	-	-
(b) Provision - Employee Benfits (Gratuity)	0.00	0.00	0.00
(i) Provision for Income Tax (current year)	203.81	**62.32**	**18.53**
	203.81	**62.32**	**18.53**
7. Trade payables, as restated			
Outstanding dues of micro enterprises & small enterprises	-	-	-
(Refer note 38 for details of dues to micro and small enterprises)			
Outstanding dues of creditors other than micro & small enterprises	176.39	81.50	67.51
(Refer note (ii) below)			
	176.39	**81.50**	**67.51**

(All amounts are in Indian Rupees lacs)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022

Trade payables ageing details

For the year ended March 31, 2024	Outstanding for the following periods from due date of payment			
	Less than 1 year	2-3 year	More than 3 year	Total
MSME	-	-	-	-
Others	176.39	-	-	176.39
Disputed dues-MSME	-	-	-	-
Disputed dues-Others	-	-	-	-

For the year ended March 31, 2023	Outstanding for the following periods from due date of payment			
	Less than 1 year	2-3 year	More than 3 year	Total
MSME	-	-	-	-
Others	81.50	-	-	81.50
Disputed dues-MSME	-	-	-	-
Disputed dues-Others	-	-	-	-

For the year ended March 31, 2022	Outstanding for the following periods from due date of payment			
	Less than 1 year	2-3 year	More than 3 year	Total
MSME	-	-	-	-
Others	67.51	-	-	67.51
Disputed dues-MSME	-	-	-	-
Disputed dues-Others	-	-	-	-

8. Other current liabilities, as restated

	March 31, 2024	March 31, 2023	March 31, 2022
Statutory remittances (TSD payable, Excise Duty, GST, Cess, etc)	76.68	20.02	6.40
Audit fees payable	-	0.30	-
Accounting charge payable			
Electricity bill payable	2.12	1.20	-
Salary payable	17.07	20.43	6.30
Other expenses	0.78		
	96.64	**41.95**	**12.69**

IDENTICAL BRAINS STUDIOS LIMITED

Notes to Restated financial statements
Annexure IV
(All amounts are in Indian Rupees lacs)

9. Property, plant and equipment , as restated

	Computers & peripherals	Furniture and Fixture	Software	Vehicle	Office Equipments	Total
Balance as at 1 April 2021	**3.11**					**3.11**
Additions	0.50	3.31	0.40			**4.22**
Disposals / capitalized during the year						-
Balance as at 31 March 2022	**3.61**	**3.31**	**0.40**	**-**		**7.33**
Balance as at 1 April 2022	3.61	3.31	0.40			**7.33**
Additions	19.22	4.86	17.14		2.24	**43.46**
Disposals / capitalized during the year						-
Balance as at 31 March 2023	**22.84**	**8.17**	**17.54**		**2.24**	**50.79**
Balance as at 1 April 2023	22.84	8.17	17.54		2.24	**50.79**
Additions	23.48	66.14	100.00	26.48	4.66	**220.76**
Disposals / capitalized during the year						
Balance as at 31 March 2024	**46.32**	**74.31**	**117.54**	**26.48**	**6.90**	**271.55**
Accumulated depreciation						
Balance as at 1 April 2021	0.55					0.55
Charge for the year	1.63	0.40	0.13			2.16
On disposals			-			-
Balance as at 31 March 2022	**2.18**	**0.40**	**0.13**			**2.71**
Balance as at 1 April 2022	2.18	0.40	0.13			2.71
Charge for the year	4.12	1.11	6.50		0.17	11.90
On disposals						-
Balance as at 31 March 2023	**6.31**	**1.51**	**6.63**		**0.17**	**14.44**
Balance as at 1 April 2023	6.31	1.51	6.63		0.17	14.44
Charge for the year	17.19	7.36	7.00	7.34	1.03	39.92
On disposals						-
Balance as at 31 March 2024	**23.50**	**8.87**	**13.63**	**7.34**	**1.20**	**54.53**

Notes to Restated financial statements
Annexure IV
(All amounts are in Indian Rupees lacs)

Net block						
As at 31 March 2022	**1.43**	**2.92**	**0.27**	**-**	**-**	**4.62**
As at 31 March 2023	**16.53**	**6.66**	**10.91**	**-**	**2.07**	**36.18**
As at 31 March 2024	**22.82**	**65.44**	**103.91**	**19.14**	**5.70**	**217.02**

Note:
(i) Refer Annexure V for details of Property, plant and equipment pledged as security for borrowings.

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian rupees lacs)

10. Deferred tax assets, as restated

A. Details of Deferred tax assets as on

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Property, plant & equipment	0.71	0.03	0.19
Provision for gratuity	0.75	0.32	0.11
Net deferred tax assets	**1.46**	**0.35**	**0.30**

B. Details of charge/(credit) during the year

Property, plant & equipment	-0.68	0.16	-0.17
Provision for gratuity	-0.43	-0.21	-0.11
Net deferred tax (credit) /charge	**-1.11**	**-0.05**	**-0.28**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian Rupees lacs)

11. Cash and cash equivalents, as restated

(i) Cash on hand	3.72	1.99	0.85
(ii) Bank balance in current accounts	176.31	165.09	87.41
	180.03	**167.08**	**88.26**

12. Loans and advances, as restated

(A) Short term Loans and advances			
(i) Raghvendra Rai	-	0.61	-
(ii) AR Creation	-	-	3.74
(iii) Virtual box	-	-	0.86
(iv) Professional Academy	-	-	2.50
(v) Akshay watane	1.50	-	-
(vi) Anant Narain	5.00	-	-
(vii) Naynesh khanvilkar	2.80	-	-
	9.30	**0.61**	**7.10**

13. Other current assets

(a) Balances with government authorities			
(i) Advance Tax & IT Return	25.00	8.81	6.35
(ii) GST credit receivable	25.01	-	0.83
(iii) GST-TCS Refund	-	-	-
(iv) GST on RCM receivable	-	-	-
(v) TDS Receivable	98.42	70.23	41.80
(vi) Deposit for rent	14.92	-	-
(vii) Prepaid Expenses	6.28	-	-
	169.63	**79.04**	**48.98**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian Rupees lacs)

14. Revenue from operations, as restated

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services			
Domestic	1,722.70	799.10	376.46
Export	286.10	5.19	12.83
Other operating revenues	-	-	-
	2,008.80	**804.29**	**389.29**

15. Other Income, as restated

(a) Interest Income on income tax refund	0.34	0.70	-
(b) Interest income on Fixed deposits	16.62	3.27	1.46
(c) Other Income	0.00	-	-
(d) Forex Gain	0.62	-	-
	17.58	**3.97**	**1.46**

16. Cost of Service consumed, as restated

(a) Professional service charges	494.52	402.56	176.91
(b) Contract Charges	384.96	-	3.34
	879.48	**402.56**	**180.25**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian Rupees lacs)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
17. Employee benefits expense, as restated			
(a) Salaries, wages and allowances	69.17	58.87	78.50
(b) Directors remuneration	27.60	18.00	7.50
(c)Gratuity expense	1.67	0.80	0.42
(d) Refreshment Expenses	2.61	5.78	2.04
	101.05	**83.45**	**88.45**
18. Finance costs, as restated			
Interest expense			
On borrowings from banks	1.49	-	-
Bank Charges	0.29	0.29	0.37
Loan Processing fees	0.24		
	2.02	**0.29**	**0.37**
19. Other expenses, as restated			
Audit fees	0.68	0.30	1.20
Forex Loss	-	0.12	-
Internet Charges & Telephone charges	3.15	3.17	2.13
Accounting Expenses	7.20	-	-
Office expenses, Office Maintainance Expenses, office electric work expenses	17.58	11.49	4.44
Other Expenses	0.21		0.86
Depository Expenses	0.43		
Legal & Professional charges	0.65		
ROC Filing expenses	0.18	-	-
Rent Expenses	60.29	24.59	12.70
Advertisement & Publicity expenses	61.36	-	0.39
Electrical Expenses	25.82	14.29	6.21
Donation	1.89	0.40	0.01
Printing and Stationery	4.72	0.47	0.91
Business Promotion	2.62	2.38	0.97
Software Charges	13.91	1.41	-
Travelling Expenses & Petrol Fuel charges	5.06	2.31	1.98
Registration & Legal Exp	-	-	0.46
Computer Rent	60.67	25.58	18.00
Property tax	0.14	-	-
	266.57	**86.51**	**50.26**

20 Earnings per share, as restated

	UOM	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Net profit after tax available to the owners of the group	Rs in lakhs	534.65	161.28	51.01
Weighted average no. of shares outstanding during the year	No	10330855	10330401	10330401
Basic and diluted earnings per share (Not annualized)	Rupees	5.18	1.56	0.49

Computation of Weighted average no. of shares			
No. of Shares outstading at beginning of the year	10000	10000	10000
Bonus shares issued during the FY 23-24	6876415	6876415	6876415
Further shares issued through private palcement as on 15th Dec 2023	454	-	-
Bonus shares issued on July 01, 2024	3443986	3443986	3443986
Weighted average no. of shares outstanding during the year	**10330855**	**10330401**	**10330401**

21 Contingent liabilities, as restated

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
There is no contingent liabilities as per the information provided by Management	-	-	-

22 Dividend, as restated

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
There is no dividend proposed or declared as per the information provided by the Management	-	-	-

23 Related party transactions, as restated

i. List of related parties as per the requirements of AS 18 - Related Party Disclosures
Relationship

a) Key management personnel
Raghvendra Rai (Chairman & Managing Director)

Sameer Rai (Excutive Director and Lucknow Branch Head)
Milind More (Chief Financial officer)

Pallavi Chavan (Company Secretary & Compliance officer)

(b) Relatives of key management personnel and their enterprises where transaction have taken place:

AR CREATION
VIRTUAL BOX
Raghvendra Rai HUF
Umesh Rai
Kiran Rai
Rekha Rai
Ankur Rai
Alban Vaity

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian rupees lacs)

Related Party Transactions

S.No.	Transactions	2023-24	2022-23	2021-22
	Salary			
1	Raghvendra Rai (Chairman & Managing Director)	27.61	18.00	6.00
2	Alban Vaity	7.15	3.03	-
3	Pallavi Chavan (Company Secretary & Compliance officer)	0.2	-	-
4	Milind More (Chief Financial officer)	2.14	-	-
5	Kiran Rai	-	5.77	-
6	Umesh Rai	-	-	1.50
	Total Salary	**37.1**	**26.80**	**7.50**

S.No.	Transactions	2023-24	2022-23	2021-22
	Professional Fees			
1	Sameer Rai (Excutive Director and Lucknow Branch Head)	15.68	10.59	5.50
2	Rekha Rai	7.00	4.66	9.16
3	Umesh Rai	-	4.00	6.00
4	Ankur Rai	-	15.00	6.00
5	Virtual Box	-	27.99	12.50
	Total Professional Fees	**22.68**	**62.24**	**39.16**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian rupees lacs)

S.No.	Transactions	2023-24	2022-23	2021-22
	Payment made for Reimbursement of expenses			
1	Raghvendra Rai (Director)	41.46	24.16	2.72
2	AR Creations	-	-	2.48
	Total Payment made for Reimbursement of expenses	**41.46**	**24.16**	**5.20**

S.No.	Transactions	2023-24	2022-23	2021-22
	Computer Services received			
1	AR Creations	59.00	28.32	21.24
	Total Computer Services received	**59.00**	**28.32**	**21.24**

S.No.	Transactions	2023-24	2022-23	2021-22
	Advertisement & Publicity Expenses			
1	Raghvendra Rai HUF	18.00	-	-
	Total Advertisement & Publicity Expenses	**18.00**	**-**	**-**

IDENTICAL BRAINS STUDIOS LIMITED
Annexure IV
(All amounts are in Indian rupees lacs)

S.No.	Balances	2023-24	2022-23	2021-22
	Trade and other payables			
1	Raghvendra Rai (Chairman & Managing Director)	3.52	7.70	1.52
2	Alban Vaity	1.02	0.37	-
3	Pallavi Chavan (Company Secretary & Compliance officer)	0.20	-	-
4	Milind More (Chief Financial officer)	0.48	-	-
5	AR Creation	4.80	14.14	-
6	VIRTUAL BOX	4.49	4.49	-
7	Rekha Rai	3.25	8.84	15.01
8	Umesh Rai	0.50	0.50	6.90
9	Ankur Rai	1.90	1.90	5.40
	Total Trade and other payables	**20.16**	**37.94**	**28.83**

S.No.	Balances	2023-24	2022-23	2021-22
	Trade and other receivables			
1	Sameer Rai (Excutive Director and Lucknow Branch Head)	0.20	-11.32	-11.97
	Total Trade and other receivables	**0.20**	**-11.32**	**-11.97**

(iv) Terms and conditions of transactions with related parties
i. The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm’s length transaction.
ii. Outstanding balances at the period / year-end are unsecured and interest free.

Notes:
i. Related parties has been identified by the management of the company and relied upon by the auditors
ii. Transaction for the period are excluding indirect taxes, if any. Outstanding balances are includig indirect taxes wherever applicable.
iii. Remuneration excludes provision for employee benefits as separate actuarial valuation for directors and key management personnel is not available.

IDENTICAL BRAINS STUDIOS LIMITED
Annexure V
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Borrowings

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current borrowings			
Long term borrowings			
Secured:			
Term loans from bank	22.09	-	-
Less: Repayment during the year	(3.06)	-	-
Less: Current maturity classified as short term borrowings	(3.97)	-	-
	15.07	**-**	**-**
Current borrowings			
Short term borrowings			
Secured:			
Current Maturities of the long term borrowings	3.97	-	-
	3.97	**-**	**-**

Terms and Conditions

Nature of security	Terms of repayment	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Secured - Non Current				
Vehicle loan from HDFC bank Ltd is secured against the Vehicle	Repayable in 45428 monthly installments. Last installment due on 7th April 2028. Rate of interest 8.6 % p.a.	19.03	-	-

IDENTICAL BRAINS STUDIOS LIMITED
Annexure VI
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Investments

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current			
Investment in Fixed Deposits with banks	512.05	141.60	25.00
	512.05	**141.60**	**25.00**
Aggregate value of unquoted investments	512.05	141.60	25.00

IDENTICAL BRAINS STUDIOS LIMITED
Annexure VII
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Trade Receivables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables			
As taken, valued and certified by management			
Unsecured, considered good	612.91	50.65	52.12
Doubtful	-	-	-
	612.91	**50.65**	**52.12**
Loss allowance			
Provision for doubtful debts	-	-	-
	-	-	-
Net trade receivables	**612.91**	**50.65**	**52.12**

Trade receivables ageing details

As at 31st March 2024	**Outstanding for the following periods from due date of payment**				
	Less than 6 month	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 year**
Undisputed trade receivables – considered good	-	612.91	-	-	-
Undisputed trade receivables – considered doubtful	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-

As at 31 March 2023	**Outstanding for the following periods from due date of payment**				
	Less than 6 month	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 year**
Undisputed trade receivables – considered good	-	50.65	-		
Undisputed trade receivables – considered doubtful	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-

As at 31 March 2022	**Outstanding for the following periods from due date of payment**				
	Less than 6 month	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 year**
Undisputed trade receivables – considered good	-	52.12	-	-	-
Undisputed trade receivables – considered doubtful	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-

IDENTICAL BRAINS STUDIOS LIMITED
Annexure VIII
(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Other Information

Particulars	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
Net Profit after tax as Restated (A)	534.65	161.28	51.01
Add: Depreciation	39.92	11.90	2.16
Add: Finance Cost	2.02	0.29	0.37
Add: Income Tax/ Deferred Tax	202.70	62.27	18.25
Less: Other Income	-17.58	-3.97	-1.46
EBITDA	**761.71**	**231.77**	**70.33**
EBITDA Margin (%)	**37.92%**	**28.82%**	**18.07%**
Net Worth as Restated (B)	1,203.62	288.51	127.23
Return on Net worth (%) as Restated (A/B)	**44.42%**	**55.90%**	**40.09%**
Equity Share at the end of year (in Nos.)(C)	68,87,972	10,000	10,000
Weighted No. of Equity Shares (in Nos.)(D)	68,86,869	68,86,415	68,86,415
Weighted No. of Equity Shares Considering Bonus & Split Impact (E)	1,03,30,855	1,03,30,401	1,03,30,401
(Post Bonus after restated period with retrospective effect)			
Basic & Diluted Earnings per Equity Share as Restated (A/D)	7.8	2.3	0.7
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)	5.18	1.56	0.49
Net Asset Value per Equity share as Restated (B/C)	17.47	2,885.09	1,272.31
Net Asset Value per Equity share as Restated after considering Bonus & Split Impact with retrospective effect (B/E)	11.65	2.79	1.23

IDENTICAL BRAINS STUDIOS LIMITED

Annexure IX

(All amounts are in Indian Rupees lacs)

Restated Summary Statements of Accounting Ratios

Sr. No.	Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
1	Current ratio (times)	Current Assets	Current Liabilities	2.02	1.60	1.99
	% Change compared to previous year			26%	-20%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: NA					
2	Debt-Equity ratio (times)	Total Debt	Shareholder Equity	0.02	-	-
	% Change compared to previous year			100%	-	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: There was no debt in the previous year					
3	Debt Service Coverage ratio (times)	Earnings for debt service = Earnings before interest and depreciation	Debt service = Interest + principal repayment of long term liabilities within one year	188.62	-	-
	% Change compared to previous year			100%	-	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: In the previous year there was no debt.					
4	Return on Equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	72%	78%	50%
	% Change compared to previous year			-8%	55%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: During the year the company has issued equity shares through private palcement and bonus issue due to which return in terms of percentage of total equity share holders fund has been reduced as compared to last year.					
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA
	% Change compared to previous year			-	-	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: NA					
6	Trade Receivable Turnover Ratio (times)	Net sales = Gross sales - sales return	Average Trade Receivable	6.05	15.65	7.54
	% Change compared to previous year			-61%	108%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: There has been signifiactn increase in trade receivables					
7	Trade Payable Turnover Ratio (times)	Net purchases = Gross purchases - purchase return	Average Trade Payables	6.82	5.40	2.66
	% Change compared to previous year			26%	103%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: There has been significant increase in trade payables					
8	Net Capital Turnover Ratio (times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	6.67	7.68	8.00
	% Change compared to previous year			-13%	-4%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: Net working capital has also been increased as compared to last year.					
9	Net Profit ratio (%)	Net Profit after tax	Net sales = Total sales - sales return	26.62%	20.05%	13.10%
	% Change compared to previous year			33%	53%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year:					
10	Return on Capital Employed (%)	Earnings before interest and taxes	Average Capital Employed = (Tangible Net Worth + Total Debt + Deferred Tax)/2	106%	111%	83%
	% Change compared to previous year			-4.27%	33.23%	-
	Explanation for change in the ratio by more than 25% as compared to the previous year: During the year company has obtained debt of Rs. 19.03 lakhs					

IDENTICAL BRAINS STUDIOS LIMITED
Annexure X
(All amounts are in Indian Rupees lacs)

A) Statement of adjustments to Audited Financial Statements

(I) Summarized below are the restatement adjustments made to the AS financial statements for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 and their impact on the Restated Summary Statement of Profit and Loss:

Sr. No.	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Net profit after tax as per audited financial statements		533.75	161.87	51.32
A	**Adjustments:** **Material Restatement Adjustments** (Excluding those on account of changes in accounting policies)				
	(i) Audit Qualifications : None		-	-	-
	(ii) Other material adjustments Recognition of gratuity liability in the restated financial statements		1.22	-0.80	-0.42
		I	**1.22**	**(0.80)**	**(0.42)**
	(iii) Deferred tax adjustments on the above	II			
	Tax effect on gratuity liability		-0.32	0.21	0.11
	Total impact of adjustments		**0.90**	**(0.59)**	**(0.31)**
3	**Net profit after tax as per Restated Standalone Statement of Profit and Loss (Refer Annexure II)**		**534.65**	**161.28**	**51.01**

(II) Summarized below are the restatement adjustments made to the AS financial statements for the year ended 31 March, 2024, 31 March 2023 and 31 March 2022 and their impact on the Restated Other Equity:

Sr. No.	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Reserve and Surplus as per Audited Financial Statements		**514.82**	**288.41**	**126.54**
A	**Adjustments:**				
	Material Restatement Adjustments				
	Recognition of gratuity liability in the restated financial statements		-	-1.22	-0.42
	(i) Audit Qualifications : None		-	-	-
	(ii) Other material adjustments				
	Tax pertaining to earlier years	I	-	-	-
	(iii) Deferred tax adjustments on the above	II	**-**	**0.32**	**0.11**
	Total (A)		**-**	**(0.90)**	**(0.31)**
B	**Adjustments on account of changes in accounting policies:**				
	(ii) Other material adjustments				
		I	**-**	**-**	**-**
	(iii) Deferred tax adjustments on the above	II	**-**	**-**	**-**
	Total (B)		**-**	**-**	**-**
C	**Total impact of adjustments (A+B)**		**-**	**(0.90)**	**(0.31)**
	Reserves and Surplus as per Restated Summary Statement of Assets and Liabilities (Refer Annexure I)		**514.82**	**287.52**	**126.23**

A) Statement of adjustments to Audited Standalone Financial Statements (continued)

Notes to Adjustments:

I In the audited financial statements for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, taxes have been accounted for pertaining to earlier years based on return of income and / or intimations / or orders received from Income tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

II The tax rate applicable for the respective years has been used to calculate the deferred tax impact on other material adjustments.

B) Other matters: Figures for 31 March 2023 and 31 March 2022 have been regrouped/reclassified wherever necessary to conform to the current year classification

C) Auditor's Comment in the Company Auditor's Report Order - Non-adjusting items : Not applicable

IDENTICAL BRAINS STUDIOS LIMITED
Annexure XI
(All amounts are in Indian Rupees lacs)

Restated Summary Statement of Capitalisation

	Pre-Issue	Post-Issue
Borrowings		
Short term debt (A)	3.97	-
Long term debt (B)	15.07	-
Total debts (C)	**19.04**	**-**
Shareholder's funds		
Equity share capital	688.80	-
Reserve and surplus - as restated	514.82	-
Total shareholders' funds	**1,203.62**	**-**
Short term debt / shareholders' funds	0.003	
Long term debt / shareholders' funds	**0.013**	**-**
Total debt / shareholders' funds	**0.016**	**-**

Notes :

1) The above has been computed on the basis of the restated summary financial statement of assets and liabilities (Refer Annexure I) of the company as on March 31, 2024.

2) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage because the issue price has not been finalised yet.

IDENTICAL BRAINS STUDIOS LIMITED
Annexure XII
(All amounts are in Indian Rupees lacs)

A) Restated summary of Tax Shelter, As restated.

Sr. No.	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Restated Profit before tax**		737.35	223.55	69.26
	Normal Corporate Tax Rates (%)		27.82%	27.82%	26.00%
	MAT Tax Rates (%)		16.69%	16.69%	15.60%
B	**Tax thereon (including surcharge and education cess)**				
	Tax on normal profits		205.13	62.19	18.01
	Total		205.13	62.19	18.01
	Adjustments:				
C	**Permanent Differences**				
	Deduction allowed under Income Tax Act		-46.34	-12.24	-0.17
	Exempt Income				
	Allowance of Expenses under the Income Tax Act Section 35				
	Disallowance of Income under the Income Tax Act				
	Disallowance of Expenses under the Income Tax Act		39.92	11.90	2.16
	Total Permanent Differences		**-6.42**	**-0.34**	**1.99**
D	**Timing Differences**				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013				
	Provision for Gratuity disallowed		1.67	0.80	0.42
	Expense disallowed u/s 43B				
	Total Timing Differences		**1.67**	**0.80**	**0.42**
E	**Net Adjustments E= (C+D)**		-4.75	0.46	2.41
F	**Tax expense/(saving) thereon**		-1.32	0.13	0.63
G	**Total Income/(loss) (A+E)**		732.60	224.01	71.67
	Taxable Income/ (Loss) as per MAT				
I	**Income Tax as per normal provision**		203.81	62.32	18.63
J	**Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act**		123.08	37.31	10.80
	Net Tax Expenses (Higher of I,J)		203.81	62.32	18.63
K	**Relief u/s 90/91**		0.00	0.00	0.00
	Total Current Tax Expenses		203.81	62.32	18.63
L	**Adjustment for Interest on income tax/ others**		0.00	0.00	0.00
	Total Current Tax Expenses		**203.81**	**62.32**	**18.63**

1. Corporate Information

Identical Brains Studios Limited (Formerly known as Identical Brains Studios Private Limited and Identical Brains Private Limited) ("the Company") was incorporated on February 04, 2019. The company is primarily engaged in the business of providing Visual effect services, Films, Video Production, and Distribution services to the industries. The company registered office is situated at 802, 803 and 804, Crescent Royale Veera Desai Road, off. New Link Road, Mumbai - 400053.

These Restated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 21st August, 2024.

These restated financial statements are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest Lacs, except per share data and unless stated otherwise.

2. Summary of significant accounting policies

a) Basis of preparation of restated financial statements

The Restated Summary Statements of the company comprise of Restated Summary Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the related Restated Summary Statement of Profit and Loss, Restated Summary Statement of Changes in Equity and Restated Summary Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the material accounting policies and explanatory notes (collectively, the "Restated Summary Statements"), and have been prepared by the management specifically for inclusion in the Draft Red Herring Prospectus ,Red Herring Prospectus and the Prospectus (collectively, the "Offer Document") to be filed by the Company with SME Platform of National Stock Exchange of India Limited ("NSE") in connection with proposed Initial public Offering ("IPO").

The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

The Restated Summary Statements of the company have been prepared to comply in all material respects with the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Summary Statements have been compiled by the Management from:

i. Audited financial statements of the Company as at and for the year ended March 31, 2024 prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which was approved by the Board of Directors at their meeting held on August 10, 2024; and

ii. Audited Financial Statements of the Company as at and for years ended March 31, 2023, and March 31, 2022, prepared in accordance with the Companies (Accounting Standards) Rules, 2021 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which has been approved by the Board of Directors at their meeting held on August 28, 2023; and September 10, 2022 respectively.

1. The Restated Summary Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

   i. Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

   ii. Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2024, March 31, 2023 and March 31, 2022, in order to bring them in line with the groupings as per the Restated Summary Statements of the Company for the year ended March 31, 2024 and the requirements of the SEBI ICDR Regulations, if any; and

   iii. The resultant impact of tax due to the aforesaid adjustments, if any

b) Use of estimates

The preparation of restated summary statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment (if any). Cost consists of acquisition cost comprising purchase price (excluding rebates and discounts) and direct cost incurred to make the asset ready to use. All assets costing Rs. 5,000 or below are fully depreciated in the year of addition.

Subsequent expenditure related to an item of property plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items & Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a written down value basis using the rates specified in the Schedule II of the Companies Act, 2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

f) Government grants and subsidies

Government grants and subsidies relating to revenue are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

g) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is lessor

Leases in which the Company does not transfer substantially all the risk and benefit of ownership of assets are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight basis over the lease terms. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage costs etc. are recognized immediately in the statement of profit and loss.

h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments/deposits with an original maturity of three months or less.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services: Revenue from professional services and charges is recognized as per the terms of the service contract executed with the customer

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head other income in the statement of profit and loss.

m) Foreign currency translation

Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

n) Retirement and other employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Defined benefit plans

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.

Company assigns its employees to various client locations as part of its operations. In accordance with the terms of our agreements with clients, the responsibility for ensuring compliance with labor laws, regulations, and related statutory requirements for these assigned employees primarily rests with the respective clients. In the event that a client defaults or fails to fulfill the required labor law compliances for their assigned employees, Company may be required to assume responsibility and take necessary actions to ensure compliance on their behalf. This could involve engaging in corrective measures, making financial provisions, or bearing any legal consequences that may arise due to the client's non-compliance.

While Company maintains systems and procedures to monitor and encourage client compliance, it may not have direct control over the actions and decisions made by the clients. Therefore, the possibility of unforeseen contingent liabilities arising from client non-compliance cannot be completely eliminated.

o) Segment reporting

The Company's business activity primarily falls within a single business segment . The Company mainly operates Indian domicile. Hence segment information as per AS 17 is not required to be disclosed.

p) Income taxes and Deferred Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The Company has issued Bonus shares on 01st July, 2024 to the existing equity shareholders of the Company in the proportion of 1 (One) new fully paid up equity share of Rs. 10/- each for every 2 (Two) existing fully paid up equity shares of Rs. 10/- each held and has been incorporated in the EPS calculation (Refer Note 20 of the restated financial statements).

r) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

For S C Mehra & Associates LLP
Chartered Accountants
FR No.: 106156W
UDIN: 24111968BKBNUU9408

CA Arun N Maniyar	**Milind More**	**Pallavi Chavan**
Partner	**Chief Financial Officer**	**Company Secretary**
M.No.: 111968		**A40773**
Place: Mumbai	**Place : Mumbai**	**Place: Mumbai**
Date: 21st August, 2024	**Date: 21st August , 2024**	**Date: 21st August, 2024**

Raghvendra Rai	**Sameer Rai**
Managing Director	**Director**
DIN: 08351262	**DIN: 09075325**
Place: Mumbai	**Place: Mumbai**
Date: 21st August, 2024	**Date: 21st August, 2024**

OTHER FINANCIAL INFORMATION

Accounting Ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections titled "*Risk Factors*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 35, 211 and 214, respectively:

(in ₹ Lakhs, unless otherwise stated)

Particulars	**As at 31st March**		
	2024	**2023**	**2022**
Earnings per Equity Share (basic)[1] (in ₹)	5.18	1.56	0.49
Earnings per Equity Share (diluted)[2] (in ₹)	5.18	1.56	0.49
Return on Net worth[3] (in %)	44.42%	55.90%	40.09%
Net Asset Value per Equity Share[4] (in ₹)	11.65	2.79	1.23
EBITDA[5] (in ₹ Lakhs)	761.71	231.77	70.33

Notes:

1. *Basis EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.*
3. *Calculated as profit for the period/year divided by net worth.*
4. *Net asset value per equity share means total equity divided by weighted average number of equity shares.*
5. *EBITDA is calculated as restated profit or loss for the year plus total tax expense, plus depreciation and amortization expense, plus finance costs and minus other income.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for Fiscals 2024, 2023 and 2022 (the "**Audited Financial Statements**") are available on our website at https://identicalbrains.com/annual-reports.php.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any Bidder should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor Book Running Lead Manager or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of Non-GAAP Measures

Reconciliation of Total Asset to Net Asset Value per Equity Share:

(in ₹ Lakhs, unless otherwise stated)

Particulars	**As at 31st March**		
	2024	**2023**	**2022**
Net Asset Value per Equity Share			
Total assets (I)	1702.39	475.50	226.38
Total non – current and current liabilities (II)	498.78	186.99	99.15
Net assets (III) = (I – II)	**1,203.62**	**288.51**	**127.23**
Total weighted average number of Equity Shares (IV)	1,03,30,855	1,03,30,401	1,03,30,401
Net Asset Value per Equity Share (in ₹) (III / IV)	11.65	2.79	1.23

Reconciliation of Restated Profit before taxes to EBITDA and EBITDA margin:

(in ₹ Lakhs, unless otherwise stated)

Particulars	**As at 31st March**		
	2024	**2023**	**2022**
Restated profit before taxes (I)	737.35	223.55	69.26
Finance costs (II)	2.02	0.29	0.37
Depreciation and Amortisation expense (III)	39.92	11.90	2.16
Other income (IV)	17.58	3.97	1.46

Particulars	As at 31st March		
	2024	2023	2022
EBITDA (V) (I + II + III - IV)	**761.71**	**231.77**	**70.33**
Revenue from Operations (VI)	2,008.80	804.29	389.29
EBITDA Margin (%) (VII) (V / VI)	**37.92%**	**28.82%**	**18.07%**

Reconciliation of Total Equity to Capital Employed:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2024	2023	2022
Total Equity (I)	1,203.62	288.51	127.23
Long Term Borrowings (II)	15.07	-	-
Deferred Tax Liability (III)	-	-	-
Short Term Borrowings (IV)	3.97	-	-
Deferred Tax Assets (V)	1.46	0.35	0.30
Intangible Assets (VI)	103.91	10.91	0.27
Total Capital Employed (VII) (I + II + III + IV – V - VI)	**1,117.29**	**277.25**	**126.93**
[(Opening Capital Employed + Closing Capital Employed) / 2] (VII)	**697.27**	**202.09**	**83.75**

Reconciliation of EBIT to Return on Capital Employed (ROCE):

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2024	2023	2022
Restated profit before taxes (I)	737.35	223.55	69.26
Finance costs (II)	2.02	0.29	0.37
Other income (III)	17.58	3.97	1.46
EBIT (IV) (I + II - III)	**721.79**	**219.87**	**68.17**
Capital Employed (V)	1,131.92	277.25	126.93
Average Capital Employed (VI)	697.27	202.09	83.75
ROCE (%) (VII) (IV / VI)	**103.52%**	**108.80%**	**81.40%**

Reconciliation of Total Borrowing to Debt-to-Equity Ratio:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2024	2023	2022
Long term borrowings (I)	15.07	-	-
Short term borrowings (II)	3.97	-	-
Total borrowings (III) (I+II)	**19.04**	**-**	**-**
Total Equity (IV)	1,203.62	288.51	127.23
Debt to Equity Ratio (in times) (V) (III /IV)	**0.02**	**-**	**-**

Reconciliation of Total Borrowing to Net Debt and Net Debt to Equity Ratio:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2024	2023	2022
Long term borrowings (I)	15.07	-	-
Short term borrowings (II)	3.97	-	-
Cash and cash equivalents (III)	180.03	167.08	88.26
Net Debt (IV) (I + II – III)	**(160.99)**	**(167.08)**	**(88.26)**
Total Equity (V)	1,203.62	288.51	127.23
Net Debt to Equity Ratio (in times) (VI) (IV /V)	**-**	**-**	**-**

Reconciliation of Equity Share Capital to Net Worth and Return on Net Worth:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2024	2023	2022
Equity Share capital (I)	688.80	1.00	1.00
Reserves and Surplus (II)	514.82	287.51	126.23

Particulars	As at 31st March		
	2024	2023	2022
Net Worth (III) (I + II)	**1,203.62**	**288.51**	**127.23**
Restated profit after tax for the year (IV)	534.65	161.28	51.01
Return on Net Worth (%) (V) (IV / III)	**44.42%**	**55.90%**	**40.09%**

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. AS 18 'Related Party Disclosures' for Fiscals 2024, 2023 and 2022, read with the SEBI ICDR Regulations, and as reported in the Restated Financial Information, see "*Restated Financial Information*" on page 210.

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

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Fiscals 2022, 2023 and 2024. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Information as of and for Fiscals 2022, 2023 and 2024, including the related annexures.

Unless otherwise indicated or context otherwise requires, the financial information for Fiscals 2022, 2023 and 2024, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" and "Summary of Financial Information" on pages 210 and 66.

Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward Looking Statements" and "Risk Factors" on pages 27 and 35, respectively.

Business Overview

Our company is a provider of computer-generated visual effects ("**VFX**") services, offering comprehensive suite of VFX services in diverse range of projects such as films, web series, TV series, documentaries, and commercials. Our operations are currently from India and our customers include some of the leading film and content producers, including major Bollywood Studios. We transform the imagination, ideas, and words into captivating visual realities. Our team of qualified, creative and technical professionals collaborates to bring forth creations that elevate storytelling and captivate audiences worldwide. Whether it's breathing life into fantastical creatures or seamlessly integrating Computer-generated imagery ("**CGI**") elements into live-action footage, we are committed to pushing the boundaries of creativity and innovation in visual effects.

Visual Effects or VFX encompasses the creation or manipulation of any imagery that isn't filmed during live-action shooting using techniques, including computer-generated imagery, compositing, and green screens, alongside services like 3D modeling, animation, rotoscoping, pre-visualization, concept art and more. The Indian VFX industry has grown exponentially, from USD 107.7 million in CY 2020 to USD 647.2 million in CY 2023 CAGR of approximately 81.8% and is projected to nearly triple in size, jumping from USD 647 million in CY 2023 to USD 1,823 million by CY 2030. In CY 2023, movies dominate the market with a 39.7% share, followed by television (27.6%), gaming (17.7%), advertisements (10.6%), and others (4.4%). This growth stems from a resurgence of Indian cinema, with 157.4 million people attending movies in 2023, a 29% increase compared to the previous year, and the rise of streaming platforms and mobile gaming. VFX is also used for diverse applications such as architectural visualization and educational content. Key factors driving this expansion include a skilled workforce, competitive pricing, technological advancements, and government support, such as the establishment of the National Centre of Excellence, the National Film Policy focused on the Animation, Gaming, Visual Effects, and Comic landscape, and reimbursements for VFX, animation, and post-production projects. The Indian media and entertainment sector is projected expand at a CAGR of ~9.9% from INR 2.32 trillion in CY 2023 to reach INR 3.08 trillion by CY 2026. Big-budget productions are allocating 25%-30% of the production costs to VFX, and the success of Indian VFX studios is evident in their contributions to major Hollywood blockbusters such as Avengers: Endgame, The Jungle Book and Life of Pi. The engagement with VFX content is increasing, particularly among younger demographics, with films like Pathaan and Adipurush featuring 3,000 and 4,000 VFX shots, respectively. The integration of emerging technologies such as Artificial Intelligence (AI), Machine Learning (ML), Virtual Reality (VR), and Augmented Reality (AR) will enable more efficient workflows while India's animation sector is projected to be driven by evolving demand and shifting consumption patterns, emerging as the second-largest anime fan base and opportunities in adult animation markets. (*Source: D&B Report*).

Our company has provided VFX services for films that have achieved significant industry recognition. Our portfolio includes upcoming projects like *Tanaav 2*, *Criminal Justice 4*, and completed projects include *Khel Khel Mein*, *Murder in Mahim*, *Bad Cop*, *The Crew*, *Article 370*, *Mission Raniganj, Dream Girl 2*, *Adipurush*, *Indian 2*, *Rocket Boys*, *Bob Biswas*, *Kutch Express*, *Ek Villian Returns*, *Night Manager*, *Criminal Justice 3*, *Phone Bhoot*, *Satyamev Jayate 2*, *Angrezi Medium*, *Scam 1992: The Harshad Mehta Story*, *Good Newwz*, *Panipat* and many more. Since 2019, our company has provided VFX services for films that has received two Filmfare OTT Awards nominations, one Filmfare Awards nomination, one

Dadasaheb Phalke Awards nomination and one FOI Online Awards nomination for Best Visual Effects and has won two Filmfare OTT Awards for Best Visual Effects for *Scam 1992: The Harshad Mehta Story* (2020) and *Rocket Boys* (2022) in association with Variate Studios LLP and one Dadasaheb Phalke Awards for *Phone Bhoot* (2022) for Best Visual Effects.

As a TPN-audited VFX studio, we are dedicated to deliver exceptional VFX solutions tailored to meet the standards of the US and European markets. The Trusted Partner Network ("**TPN**") is a global, industry-wide film and television content protection initiative which helps us to prevent leaks, breaches, and hacks of our customers' movies and television shows prior to their intended release establishing a benchmark of minimum-security preparedness. Currently, our company has also received approval for projects from Disney Hotstar and Amazon. With a relentless focus on reliability, cost-effectiveness, and uncompromising quality, we consistently strive to provide our customers with the best value for their investment. Our commitment to competitive pricing ensures that our services remain accessible without compromising on excellence. One of our core strengths lies in our unparalleled flexibility, allowing us to seamlessly adapt to projects of any size or scope. Whether it is a small-scale production or a large-scale blockbuster, we have an agility to deliver results with expedited turnaround times while maintaining scalability for sustained long-term growth.

Our Promoter, Raghvendra Rai, has an extensive experience of around ten years in the VFX Industry and under his leadership, our company has rapidly emerged as a prominent player in developing proprietary workflow processes and technologies that enables our qualified, creative and technical personnel to provide cutting-edge VFX services to our customers. We have a strong track-record of delivering projects on time and within budget. His skills and unwavering dedication have been instrumental in driving our company's success and expansion. Further, our workforce is comprised of passionate individuals who thrive on pushing the boundaries of creativity and innovation. With a diverse range of talents and backgrounds, our team is adept at tackling projects of varying complexities with confidence and proficiency. Through a combination of expertise and employee experience, we consistently deliver exceptional results that elevate our customers' projects to new heights of success.

Our key performance indicators for the last three Fiscals are as follows:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations (₹ in Lakhs) (1)	2,008.80	804.29	389.29
EBITDA (₹ in Lakhs) (2)	761.71	231.77	70.33
EBITDA Margin (%) (3)	37.92%	28.82%	18.07%
PAT (₹ in Lakhs) (4)	534.65	161.28	51.01
PAT Margin (%) (5)	26.62%	20.05%	13.10%
Return on equity (%) (6)	71.66%	77.59%	50.14%
Return on capital employed (%) (7)	103.52%	108.80%	81.40%
Debt-Equity Ratio (times) (8)	0.02	-	-
Trade Receivables Turnover Ratio (times) (9)	6.05	15.65	7.54
Working Capital Turnover Ratio (times) (10)	6.67	7.68	8.00
Investment in Property, Plant, Equipment and Software (₹ in Lakhs) (11)	220.76	43.46	4.22

Notes:

(1) Revenue from operations is calculated as revenue from VFX Services.

(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.

(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.

(4) PAT represents total profit after tax for the year/period.

(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.

(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by Average Total Equity at the end of the year /period, whereas Total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.

(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by Average Capital Employed at the end of the year /period, whereas Average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. Capital Employed is calculated as Total Equity minus DTA plus DTL, Long Term Borrowings and Short-Term Borrowings.

(8) Debt to Equity ratio is calculated as Total Borrowings divided by Total Equity.

(9) Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.

(10) Working capital turnover ratio is calculated as revenue from operations divided by average working capital. Average working capital is calculated as average of opening working capital and closing working capital.

(11) Investment in Property, Plant, Equipment and Equipment is calculated as investment in Computers & Peripherals, Furniture and Fixtures, Software, Office Equipment and Vehicles in a particular period/ year.

b) Key operational indicators

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
No. of clients	44	36	33
No. of projects completed	44	53	50

Indicator	March 31, 2024	March 31, 2023	March 31, 2022
Average duration to complete a project (days)	35.27	18.74	17.84
No. of permanent employees	19	18	18
No. of contractual employees	124	107	42

Note:

1. *Average duration to complete a project (days) is calculated as total duration taken to complete all the projects divided by no. of projects completed*

Significant factors affecting our Financial Condition and Results of Operations

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Revenue Recognition

Our company experiences, and expects to continue to experience, seasonal fluctuations in its results of operations due to changes in the ultimate release dates of the projects and the number of projects on which our company works. Generally, Bollywood studios release their major high budget films, which are typically films with significant VFX content, during festive seasons such as Diwali, Eid, and Christmas, leading to peak VFX demand in the months leading up to these dates. Our services are typically completed approximately four days prior to the release date of these projects. Many of the films that our company provides VFX services for are released during these time periods, so our company is typically busier in the months leading up to these release dates.

Accordingly, our company typically converts more of its Order Book into revenue during these periods, which is reflected in our third and fourth fiscal quarter results of operations. However, we may not meet all of our revenue recognition criteria for a given financial period and may not be able to recognise revenue in a given fiscal period even though we have already incurred the related expenses and costs, which may lead our company to recognise an unusually large amount of revenue in a later financial period or, conversely, recognise a significant amount of expenses and costs in a period for which the relating revenue has not yet been recognised.

Unlike major Bollywood studios that typically release high-budget films during festivals, television, OTT, etc. content providers typically do not adhere to the same release schedule, and content release dates can vary significantly from project to project. Our services are typically completed approximately four days prior to the release date, and, therefore, our trends may change in the future as our company continues to provide VFX services to such content providers that have more varied release calendars as compared to the major Bollywood studios.

Cost of Service and Employee Benefits Expense as a Percentage of Revenue from Operations

Our cost of service typically includes professional fees paid to our contracted VFX artists and sub-contracting charges paid for the VFX services we outsource to third parties. Our employee benefits expense primarily includes wages and salaries of our full-time employees, directors' remuneration and gratuity costs. Our cost of service and employee benefits expense taken as a percentage of our Total Income is the "*Cost of service and Employee Benefits Expense as a Percentage of Revenue from operations*". Our cost of service and employee benefits expense for Fiscal 2024, 2023 and 2022 were ₹980.53 lakhs, ₹486.01 lakhs and ₹268.70 lakhs respectively, or 48.81%, 60.43% and 69.02%, respectively of our revenue from operations.

Because the professional charges costs of our contracted VFX artists, and salaries, wages and other personnel costs of our full-time employees and directors and sub-contracting charges paid for the VFX services we outsource to third parties, represents the most significant portion of our profit and loss statement, period-to-period changes in cost of service and employee benefits expense have been and are expected to continue to be primarily attributable to increases or decreases in our creative and technical employee count and contracted artists and number of projects we outsource under our sub-contracting arrangements. However, our creative and technical employee count and professional fees paid to contracted artists and employee benefit expenses may not change at the same rate in any particular period due to various factors. For example, due to general differences in professional fees paid to contracted artists and employee benefits expense associated with the recruitment and retention of key, competitively compensated creative and technical employees, such as award-winning artists, compared to other creative and technical employees, particularly lower-cost creative employees located in more economically attractive locations, changes in the number of key creative and technical employees in a particular period may have a disproportionate impact on our overall professional fees paid to contracted artists and employee benefit expense compared to changes in the number of other creative and technical employees in such period. Further, we started outsourcing few projects under our sub-contracting arrangements in Fiscal 2024 and we intend to continue the same in future years.

Critical Accounting Policies and Significant Judgments and Estimates

The methods, assumptions, and estimates that we use in applying our accounting policies may require us to apply judgments regarding matters that are inherently uncertain. We consider an accounting policy to be a critical estimate if: (1) we must make assumptions that were uncertain when the judgment was made, and (2) changes in the estimate assumptions, or selection of a different estimate methodology, could have a significant impact on our financial position and the results that we report in our Restated Financial Information. While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information available when the estimate was made.

Further, our material accounting policies as per Restated Financial Information, are as follows:

a) Basis of preparation of restated financial statements

The Restated Summary Statements of the company comprise of Restated Summary Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the related Restated Summary Statement of Profit and Loss, Restated Summary Statement of Changes in Equity and Restated Summary Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the material accounting policies and explanatory notes (collectively, the "Restated Summary Statements"), and have been prepared by the management specifically for inclusion in the Draft Red Herring Prospectus ,Red Herring Prospectus and the Prospectus (collectively, the "Offer Document") to be filed by the Company with SME Platform of National Stock Exchange of India Limited ("NSE") in connection with proposed Initial public Offering ("IPO").

The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

The Restated Summary Statements of the company have been prepared to comply in all material respects with the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Summary Statements have been compiled by the Management from:

i) Audited financial statements of the Company as at and for the year ended March 31, 2024 prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which was approved by the Board of Directors at their meeting held on August 10, 2024; and

ii) Audited Financial Statements of the Company as at and for years ended March 31, 2023, and March 31, 2022, prepared in accordance with the Companies (Accounting Standards) Rules, 2021 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which has been approved by the Board of Directors at their meeting held on August 28, 2023; and September 10, 2022 respectively.

The Restated Summary Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

i. Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

ii. Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2024, March 31, 2023 and March 31, 2022, in order to bring them in line with the groupings as per the Restated Summary Statements of the Company for the year ended March 31, 2024 and the requirements of the SEBI ICDR Regulations, if any; and

iii. The resultant impact of tax due to the aforesaid adjustments, if any

b) Use of estimates

The preparation of restated summary statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment (if any). Cost consists of acquisition cost comprising purchase price (excluding rebates and discounts) and direct cost incurred to make the asset ready to use. All assets costing Rs. 5,000 or below are fully depreciated in the year of addition.

Subsequent expenditure related to an item of property plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items & Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a written down value basis using the rates specified in the Schedule II of the Companies Act, 2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

f) Government grants and subsidies

Government grants and subsidies relating to revenue are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

g) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is lessor

Leases in which the Company does not transfer substantially all the risk and benefit of ownership of assets are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight basis over the lease terms. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage costs etc. are recognized immediately in the statement of profit and loss.

h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments/deposits with an original maturity of three months or less.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services: Revenue from professional services and charges is recognized as per the terms of the service contract executed with the customer

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head other income in the statement of profit and loss.

m) Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

n) Retirement and other employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Defined benefit plans

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.

Company assigns its employees to various client locations as part of its operations. In accordance with the terms of our agreements with clients, the responsibility for ensuring compliance with labor laws, regulations, and related statutory requirements for these assigned employees primarily rests with the respective clients. In the event that a client defaults or fails to fulfill the required labor law compliances for their assigned employees, Company may be required to assume responsibility and take necessary actions to ensure compliance on their behalf. This could involve engaging in corrective measures, making financial provisions, or bearing any legal consequences that may arise due to the client's non-compliance.

While Company maintains systems and procedures to monitor and encourage client compliance, it may not have direct control over the actions and decisions made by the clients. Therefore, the possibility of unforeseen contingent liabilities arising from client non-compliance cannot be completely eliminated.

o) Segment reporting

The Company's business activity primarily falls within a single business segment. The Company mainly operates Indian domicile. Hence segment information as per AS 17 is not required to be disclosed.

p) Income taxes and Deferred Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The Company has issued Bonus shares on 01st July, 2024 to the existing equity shareholders of the Company in the proportion of 1 (One) new fully paid-up equity share of Rs. 10/- each for every 2 (Two) existing fully paid-up equity shares of Rs. 10/- each held and has been incorporated in the EPS calculation (Refer Note 20 of the restated financial statements).

r) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Segment Information

There is no reportable segment identified on the basis of which segment information is required to be disclosed.

Information about Revenue Split by Geographical Area

(₹ in lakhs)

Particulars	FY 2023-2024		FY 2022-2023		FY 2021-2022	
	Revenue from Operations	% of Total Revenue from Operations	Revenue from Operations	% of Total Revenue from Operations	Revenue from Operations	% of Total Revenue from Operations
Domestic	1,722.70	*85.76%*	799.10	*99.35%*	376.46	*96.70%*
Export	286.10	*14.24%*	5.19	*0.65%*	12.83	*3.30%*
Total	**2,008.80**	***100.00%***	**804.29**	***100.00%***	**389.29**	***100.00***

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

Key Components of Income and Expenses

We report our income and expenditure in the following manner:

Total Income

Our total income comprises of revenue from operations and other income.

Revenue from operations: consists revenue from providing VFX services in diverse range of projects such as films, web series, TV series, documentaries, and commercials. Our services are billed as part of the production budget of original content. VFX services increasingly reflects a significant and growing component of content production costs. Our company prices and bills its work based on the expected duration and complexity of each project. In general, our company is not exposed to the ultimate commercial success of the project. We recognise revenue under the percentage of completion method based on the services performed as a percentage of total services our company expects to perform over the life of the contract. Our contracts typically range in size from a few lakhs to crores and in duration from one to six months. Further, other prominent VFX companies and studios choose to outsource certain aspects to specialized teams who are equipped with expertise, infrastructure, and technology to manage large-scale VFX projects. Therefore, we generate revenue from sub-contracting arrangements as well.

Other income: consists interest income on fixed deposits, interest income on income tax refund and forex gain.

Total Expenses

Our total expenses comprise of cost of services, employee benefits expenses, finance costs, depreciation and amortization expenses, and other expenses.

Cost of Services: includes professional charges paid to contracted VFX artists and subcontracting charges paid for outsourcing VFX services to third parties.

Employee benefits expenses: comprises of salaries and wages, directors' remuneration, gratuity expenses and refreshment expenses.

Finance costs: consists of interest expenses and bank charges.

Depreciation and Amortization Expenses: includes depreciation expenses on property plant and equipment and amortisation of intangible assets.

Other Expenses: comprises majorly rent expenses, electricity expenses, computer rentals, software charges, office expenses and repairs and maintenance, advertisement expenses, travelling expenses, etc.

Our Results of Operations

The following table sets forth select financial data derived from our restated statement of profit and loss for Fiscals 2024, 2023 and 2022 and we have expressed the components of select financial data as a percentage of total income for such years:

Particulars	**Fiscals**					
	2024		**2023**		**2022**	
	(₹ in Lakhs)	**(% of total income)**	**(₹ in Lakhs)**	**(% of total income)**	**(₹ in Lakhs)**	**(% of total income)**
Income						
Revenue from Operations	2,008.80	*99.13%*	804.29	*99.51%*	389.29	*99.63%*
Other income	17.58	*0.87%*	3.97	*0.49%*	1.46	*0.37%*
Total Income	**2,026.38**	***100.00%***	**808.26**	***100.00%***	**390.75**	***100.00%***
Expenses						
Cost of services	879.48	*43.40%*	402.56	*49.81%*	180.25	*46.13%*
Employees Benefit Expenses	101.05	*4.99%*	83.45	*10.32%*	88.45	*22.64%*
Finance Costs	2.02	*0.10%*	0.29	*0.04%*	0.37	*0.09%*
Depreciation and Amortization	39.92	*1.97%*	11.90	*1.47%*	2.16	*0.55%*
Other expenses	266.57	*13.15%*	86.51	*10.70%*	50.26	*12.86%*
Total Expenses	**1,289.03**	***63.61%***	**584.71**	***72.34%***	**321.49**	***82.28%***
Restated (loss) before tax	**737.35**	***36.39%***	**223.55**	***27.66%***	**69.26**	***17.72%***
Tax Expenses	202.70	*10.00%*	62.27	*7.70%*	18.25	*4.67%*
Restated (loss) for the year / period	**534.65**	***26.38%***	**161.28**	***19.95%***	**51.01**	***13.05%***

Fiscal 2024 compared to Fiscal 2023

Total Income

Our total income increased by 150.71% to ₹2,026.38 lakhs for Fiscal 2024 from ₹808.26 lakhs for Fiscal 2023 based on Restated Financial Information. This increase was primarily due to significant increase in our revenue from operations which was primarily driven by revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers and significant increase in our other income primarily due to significant increase in the interest income generated from the fixed deposits. For further details, please see, "- *Fiscal 2024 compared to Fiscal 2023 - Total Income – Revenue from operations*" and "- *Fiscal 2024 compared to Fiscal 2023 - Total Income – Other income*" below.

Revenue from operations: Our revenue from operations increased by 149.76% to ₹2,008.80 lakhs for Fiscal 2024 from ₹804.29 lakhs for Fiscal 2023 based on Restated Financial Information, primarily due to significant increase in our revenue from operations which was primarily driven by revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers. The significant revenue increase from Fiscal 2023 to Fiscal 2024, is primarily attributed to high-profile projects undertaken by our company, including *The Crew*, *Article 370*, *Adipurush*, *Indian 2*, *Dream Girl 2*, *Crakk*, *The Great Indian Rescue*, and *Murder in Mahim* from major Bollywood studios. Additionally, our company secured a substantial contract for the first time from one of the production houses, which alone contributed 27.98% of the total revenue for Fiscal 2024, providing eight new projects within the said year. This major contract, along with the successful completion of high-profile projects, has been a key driver of our financial growth and market expansion during the Fiscal 2024.

Other income: Our other income was increased by 342.82% to ₹17.58 lakhs for Fiscal 2024 from ₹3.97 lakhs for Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in interest income from fixed deposits for ₹16.62 lakhs pursuant to creation of new fixed deposits for value of ₹370.45 lakhs in Fiscal 2024 as compare to interest income from fixed deposits for ₹3.27 lakhs in Fiscal 2023;
- decrease in interest income from income tax refund for ₹0.34 lakhs in Fiscal 2024 as compare to ₹0.70 lakhs in Fiscal 2023; and
- increase in forex gain for ₹0.62 lakhs pursuant to fluctuations of foreign currency and Indian currency with respect to our VFX services provided to our customers located outside India.

Total Expenses

Cost of Services: The cost of services increased by 118.47% to ₹879.48 lakhs for Fiscal 2024 from ₹402.55 lakhs for Fiscal 2023 based on Restated Financial Information, primarily due to increase in our professional fees paid to contracted VFX artists for ₹494.52 lakhs in Fiscal 2024 from ₹402.56 lakhs in Fiscal 2023 and significant increase in our contract charges paid to third parties for providing services in relation the projects we outsource for ₹384.96 lakhs in Fiscal 2024 from NIL in Fiscal 2023. Fiscal 2024 is the first year where we started outsourcing projects to third parties where we have less capabilities or due to time constrain.

Employee benefits expenses: The employee benefits expense increased by 21.09% to ₹101.05 lakhs for the Fiscal 2024 from ₹83.45 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in salaries, wages and allowances to ₹69.17 lakhs for the Fiscal 2024 from ₹58.87 lakhs for the Fiscal 2023. This was on account of (i) an increase in the number of our employees to 19 as of Fiscal 2024 from 18 as of Fiscal 2023, and (ii) annual increments in salaries;
- increase in directors' remuneration to ₹27.61 lakhs for the Fiscal 2024 from ₹18.00 lakhs for the Fiscal 2023;
- increase in gratuity provision to ₹1.67 lakhs for the Fiscal 2024 from ₹0.80 lakhs for the Fiscal 2023; and
- decrease in refreshment expenses for our employees to ₹2.61 lakhs for the Fiscal 2024 from ₹5.78 lakhs for the Fiscal 2023.

Finance costs: The finance costs increased by 596.55% to ₹2.02 lakhs for the Fiscal 2024 from ₹0.29 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to car loan of ₹22.08 lakhs availed in the Fiscal 2024.

Depreciation and Amortization Expenses: The depreciation and amortization expenses increased by 235.46% to ₹39.92 lakhs for the Fiscal 2024 from ₹11.90 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in depreciation on property, plant and equipment to ₹32.92 lakhs for the Fiscal 2024 from ₹5.40 lakhs for the Fiscal 2023 due to additions in property, plant and equipment for ₹120.76 lakhs during the Fiscal 2024; and
- increase in amortization of intangible assets to ₹7.00 lakhs for the Fiscal 2024 from ₹6.50 lakhs for the Fiscal 2023 due to additions in intangible assets for ₹100.00 lakhs during the Fiscal 2024.

Other Expenses: The other expenses increased by 208.10% to ₹266.57 lakhs for the Fiscal 2024 from ₹86.51 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in rent to ₹60.29 lakhs for the Fiscal 2024 from ₹24.59 lakhs for the Fiscal 2023, primarily attributable to the rent payable towards our offices and studios;
- increase in electricity expenses to ₹25.82 lakhs for the Fiscal 2024 from ₹14.29 lakhs for the Fiscal 2023, primarily attributable to the utilization of electricity at our offices and studios;
- increase in office expenses and office maintenance to ₹17.58 lakhs for the Fiscal 2024 from ₹11.49 lakhs for the Fiscal 2023, towards our offices and studios;

- increase in software charges to ₹13.91 lakhs for the Fiscal 2024 from ₹1.41 lakhs for the Fiscal 2023, primarily attributable to increase in our operations at our offices and studios;
- increase in advertisement expenses to ₹61.36 lakhs for the Fiscal 2024 from NIL for the Fiscal 2023, primarily due to increase in brand visibility expenses and expansion of our customer base through various marketing channels;
- decrease in computer rent charges to ₹60.67 lakhs for the Fiscal 2024 from ₹25.58 lakhs for the Fiscal 2023, primarily attributable to increase in our operations at our offices and studios;
- increase in accounting expenses to ₹7.20 lakhs for the Fiscal 2024 from NIL for the Fiscal 2023 due to appointment of external agency for the purpose of availing CFO services in Fiscal 2024; and
- increase in printing and stationary to ₹4.72 lakhs for the Fiscal 2024 from ₹0.47 lakhs for the Fiscal 2023, primarily attributable to increase in our operations at our offices and studios.

Tax Expenses

Our total tax expense was increased by 225.50% to ₹202.70 lakhs for the Fiscal 2024 from ₹62.27 lakhs for the Fiscal 2023 comprising of current income tax and deferred tax credit. During the Fiscal 2024, we incurred current tax expenses of ₹203.81 lakhs and deferred tax credit of ₹1.11 lakhs and during Fiscal 2023, we incurred current tax expenses of ₹62.32 lakhs and deferred tax credit of ₹0.05 lakhs. The increase in our deferred tax credit was primarily due to creation of deferred tax assets on account of timing difference in Net block as per books & as per Income Tax. Further, our effective tax rate was 27.82% for the Fiscals 2024 and 2023.

Restated profit after tax for the year

Due to the foregoing, we incurred a profit of ₹534.65 lakhs during the Fiscal 2024, as compared to a profit of ₹161.28 lakhs during the Fiscal 2023. Our profit has significantly increased primarily due to increase in revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers by ₹1,204.51 lakhs, interest income from fixed deposits, income tax refund and forex gain for ₹13.61 lakhs pursuant to creation of new fixed deposits and forex gain during the Fiscal. The significant profit increase from Fiscal 2023 to Fiscal 2024, is primarily attributed to high-profile projects undertaken by our company, including *The Crew*, *Article 370*, *Adipurush*, *Indian 2*, *Dream Girl 2*, *Crakk*, *The Great Indian Rescue*, and *Murder in Mahim* from major Bollywood studios. Additionally, our company secured a substantial contract for the first time from one of the production houses, which alone contributed 27.98% of the total revenue for Fiscal 2024, providing various new projects within the said year. This major contract, along with the successful completion of high-profile projects, has not only boosted our income but also strengthened our reputation in the VFX industry. These complex projects required our team's advanced skills, which we delivered successfully. This combination of winning high-value projects and securing a major contract has been a key factor in our financial growth. It has helped us expand our market presence, improve financial stability, and set the stage for continued growth in the coming years. Going forward, we plan to build on this success to attract more clients and keep growing our revenue. Further, our total expenses as a percentage of total income for Fiscal 2024 was only 63.61% as compared to 72.34% for Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income increased by 106.85% to ₹808.26 lakhs for Fiscal 2023 from ₹390.75 lakhs for Fiscal 2022 based on Restated Financial Information. This increase was primarily due to significant increase in our revenue from operations which was primarily driven by revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers and significant increase in our other income primarily due to significant increase in the interest income generated from the fixed deposits. For further details, please see, "*- Fiscal 2023 compared to Fiscal 2022 - Total Income – Revenue from operations*" and "*- Fiscal 2023 compared to Fiscal 2022 - Total Income – Other income*" below.

Revenue from operations: Our revenue from operations increased by 106.60% to ₹804.29 lakhs for Fiscal 2023 from ₹389.29 lakhs for Fiscal 2022 based on Restated Financial Information, primarily due to significant increase in our revenue from operations which was primarily driven by revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers. The significant revenue increase from Fiscal 2022 to Fiscal 2023, was largely driven by the successful completion and release of high-profile projects such as the short film "*Ink*" along with "*Phone Bhoot*", "*Bambai Meri Jaan*", "*Jee Karda*", "*The Great Indian Munnes*", "*Rocket Boys*" and "*Bawaal*". A major contributor to this financial growth was a contract from one of the major Bollywood Studio, which accounted for 21.70% of the total revenue for Fiscal 2023, offering two major projects like "*Bambai Meri Jaan*" and "*Dongri to Dubai*". These successful collaborations and the strong performance of these projects played a crucial role in boosting our financial performance during the year 2023.

Other income: Our other income was increased by 171.92% to ₹3.97 lakhs for Fiscal 2023 from ₹1.46 lakhs for Fiscal 2022 based on Restated Financial Information, primarily due to:

- increase in interest income from fixed deposits for ₹3.27 lakhs pursuant to creation of new fixed deposits for value of ₹116.59 lakhs in Fiscal 2023 as compare to interest income from fixed deposits for ₹1.46 lakhs in Fiscal 2022; and
- increase in interest income from income tax refund for ₹0.70 lakhs in Fiscal 2023 as compare to NIL in Fiscal 2022.

Total Expenses

Cost of Services: The cost of services increased by 123.33% to ₹402.55 lakhs for Fiscal 2023 from ₹180.25 lakhs for Fiscal 2022 based on Restated Financial Information, primarily due to increase in our professional fees paid to contracted VFX artists on account of increase in the number of our contracted VFX artists to 107 as of Fiscal 2023 from 42 as of Fiscal 2022.

Employee benefits expenses: The employee benefits expense decreased by 5.65% to ₹83.45 lakhs for the Fiscal 2023 from ₹88.45 lakhs for the Fiscal 2022 based on Restated Financial Information, primarily due to:

- decrease in salaries, wages and allowances to ₹58.87 lakhs for the Fiscal 2023 from ₹78.50 lakhs for the Fiscal 2022. This was on account of due to high attrition rate in our industry;
- increase in directors' remuneration to ₹18.00 lakhs for the Fiscal 2023 from ₹7.50 lakhs for the Fiscal 2022;
- increase in gratuity provision to ₹0.80 lakhs for the Fiscal 2023 from ₹0.42 lakhs for the Fiscal 2022; and
- increase in refreshment expenses for employees to ₹5.78 lakhs for the Fiscal 2023 from ₹2.04 lakhs for the Fiscal 2022.

Finance costs: The finance costs decreased by 21.62% to ₹0.29 lakhs for the Fiscal 2023 from ₹0.37 lakhs for the Fiscal 2022 based on Restated Financial Information, primarily due to decrease in bank charges in Fiscal 2023.

Depreciation and Amortization Expenses: The depreciation and amortization expenses increased by 450.93% to ₹11.90 lakhs for the Fiscal 2023 from ₹2.16 lakhs for the Fiscal 2022 based on Restated Financial Information, primarily due to:

- increase in depreciation on property, plant and equipment to ₹5.40 lakhs for the Fiscal 2023 from ₹2.03 lakhs for the Fiscal 2022 due to additions in property, plant and equipment for ₹26.32 lakhs during the Fiscal 2023; and
- increase in amortization of intangible assets to ₹6.50 lakhs for the Fiscal 2023 from ₹0.13 lakhs for the Fiscal 2022 due to additions in intangible assets for ₹17.14 lakhs during the Fiscal 2023.

Other Expenses: The other expenses increased by 72.12% to ₹86.51 lakhs for the Fiscal 2023 from ₹50.26 lakhs for the Fiscal 2022 based on Restated Financial Information, primarily due to:

- increase in rent to ₹24.59 lakhs for the Fiscal 2023 from ₹12.70 lakhs for the Fiscal 2022, primarily attributable to the rent payable towards our offices and studios;
- increase in electricity expenses to ₹14.29 lakhs for the Fiscal 2023 from ₹6.21 lakhs for the Fiscal 2022, primarily attributable to the utilization of electricity at our offices and studios;
- increase in office maintenance expenses to ₹11.49 lakhs for the Fiscal 2023 from ₹4.44 lakhs for the Fiscal 2022, towards our offices and studios;
- increase in computer rent charges to ₹25.58 lakhs for the Fiscal 2023 from ₹18.00 lakhs for the Fiscal 2022, primarily attributable to our increase in operations;

Tax Expenses

Our total tax expense was increased by 241.21% to ₹62.27 lakhs for the Fiscal 2023 from ₹18.25 lakhs for the Fiscal 2022 comprising of current income tax and deferred tax credit. During the Fiscal 2023, we incurred current tax expenses of ₹62.32 lakhs and deferred tax credit of ₹0.05 lakhs and during Fiscal 2022, we incurred current tax expenses of ₹18.53 lakhs and deferred tax credit of ₹0.28 lakhs. The decrease in our deferred tax credit was primarily due to creation of deferred tax assets on account of timing difference in Net block as per books & as per Income Tax. Further, our effective tax rate was 27.82% and 26.00% for the Fiscals 2023 and 2022, respectively.

Restated profit after tax for the year

Due to the foregoing, we incurred a profit of ₹161.28 lakhs during the Fiscal 2023, as compared to a profit of ₹51.01 lakhs during the Fiscal 2022. Our profit has significantly increased primarily due to increase in revenue from providing VFX services such as rotoscopy, paint / cleanup, composting, computer-generated imagery, motion graphics, etc. to major Bollywood studios and other content and film producers by ₹415.00 lakhs, interest income from fixed deposits and income tax refund for ₹2.51 lakhs pursuant to creation of new fixed deposits. The significant profit increase from Fiscal 2022 to Fiscal 2023, is primarily attributed to the successful completion and release of high-profile projects such as the short film "*Ink*" along with "*Phone Bhoot*", "*Bambai Meri Jaan*", "*Jee Karda*", "*The Great Indian Munnes*", "*Rocket Boys*" and "*Bawaal*". A major contributor to this financial growth was a contract from one of the major Bollywood Studio, which accounted for 21.70% of the total revenue for Fiscal 2023, offering two major projects like "*Bambai Meri Jaan*" and "*Dongri to Dubai*". These successful collaborations and the strong performance of these projects played a crucial role in boosting our financial performance during the year 2023. Further, our employee benefit expenses as a percentage of total income for Fiscal 2023 was 10.32% as compared to 22.64% for Fiscal 2022 due to high attrition rate in our industry.

Cash Flows and Cash and Cash Equivalents

The following table sets forth our cash flows and cash and cash equivalents for the period / years indicated:

(₹ in Lakhs)

Particulars	**Fiscals**		
	2024	**2023**	**2022**
Net cash (used)/from operating activities	189.53	235.61	(11.39)
Net cash (used)/from investing activities	(574.59)	(156.79)	(17.44)
Net cash (used)/from financing activities	398.02	-	-
Net increase / (decrease) in cash and cash equivalents at the end of the period/year	**12.95**	**78.82**	**(28.83)**
Cash and Cash equivalents at the beginning of the year	167.08	88.26	117.09
Cash and Cash equivalents at the end of the year	180.03	167.08	88.26

Operating Activities

Net cash generated from operating activities was ₹189.53 lakhs for the Fiscal 2024. While our net profit before tax was ₹737.35 lakhs, we had an operating profit before working capital changes of ₹763.81 lakhs for the Fiscal 2024 which was primarily due to depreciation and amortisation of ₹39.92 lakhs, interest expenses of ₹1.49 lakhs, gratuity provision of ₹1.67 lakhs and offset by interest income for ₹16.62 lakhs. Our changes in working capital for the Fiscal 2024 primarily consisted of an increase in trade receivables by ₹562.26 lakhs, increase in short term loans and advances by ₹8.69 lakhs, increase in other current assets by ₹90.59 lakhs, increase in trade payables by ₹94.88 lakhs, increase in other current liabilities by ₹54.69 lakhs and increase in short term provisions by ₹141.50 lakhs. Our income taxes paid was ₹203.81 lakhs for the financial year 2024.

Net cash generated from operating activities was ₹235.61 lakhs for the Fiscal 2023. While our net profit before tax was ₹223.55 lakhs, we had an operating profit before working capital changes of ₹232.98 lakhs for the Fiscal 2023 which was primarily due to depreciation and amortisation of ₹11.90 lakhs, gratuity provision of ₹0.80 lakhs and offset by interest income for ₹3.27 lakhs. Our changes in working capital for the Fiscal 2023 primarily consisted of decrease in trade receivables by ₹1.47 lakhs, decrease in short term loans and advances by ₹6.49 lakhs, increase in other current assets by ₹30.05 lakhs, increase in trade payables by ₹14.00 lakhs, increase in other current liabilities by ₹29.26 lakhs and increase in short term provisions by ₹43.79 lakhs. Our income taxes paid was ₹62.32 lakhs for the financial year 2023.

Net cash used in operating activities was ₹11.39 lakhs for the Fiscal 2022. While our net profit before tax was ₹69.26 lakhs, we had an operating profit before working capital changes of ₹70.38 lakhs for the Fiscal 2022 which was primarily due to depreciation and amortisation of ₹2.16 lakhs, gratuity provision of ₹0.42 lakhs and offset by interest income for ₹1.46 lakhs. Our changes in working capital for the Fiscal 2022 primarily consisted of an increase in trade receivables by ₹51.33 lakhs, increase in short term loans and advances by ₹25.65 lakhs, increase in other current assets by ₹7.74 lakhs, decrease in trade payables by ₹29.44 lakhs, decrease in other current liabilities by ₹6.04 lakhs and increase in short term provisions by ₹5.66 lakhs. Our income taxes paid was ₹18.53 lakhs for the financial year 2022.

Investing Activities

Net cash used in investing activities was ₹574.59 lakhs for the Fiscal 2024, primarily comprising payment for purchase of computers & peripherals, furniture and fixture, software, vehicle and office equipment for existing offices and studio of ₹220.76 lakhs, increase in fixed deposits by ₹370.45 lakhs and interest income on fixed deposit received for ₹16.62 lakhs.

Net cash used in investing activities was ₹156.79 lakhs for the Fiscal 2023, primarily comprising payment for purchase of computers & peripherals, furniture and fixture, software and office equipment for existing offices and studio of ₹43.46 lakhs, increase in fixed deposits by ₹116.60 lakhs and interest income on fixed deposit received for ₹3.27 lakhs.

Net cash used in investing activities was ₹17.44 lakhs for the Fiscal 2022, primarily comprising payment for purchase of computers & peripherals, furniture and fixture, software, vehicle and office equipment for existing office of ₹4.22 lakhs, increase in fixed deposits by ₹14.69 lakhs and interest income on fixed deposit received for ₹1.46 lakhs.

Financing Activities

Net cash flow generated from financing activities was ₹398.02 lakhs for the Fiscal 2024, primarily comprising of net proceeds from car loan of ₹19.04 lakhs, fresh net capital infusion of ₹380.46 lakhs by the persons other than promoters and promoter group by way of preferential allotment adjusted by interest paid on car loan of ₹1.49 lakhs.

There was no cash flow generated from financing activities in Fiscal 2023 and 2022.

Indebtedness

The following table sets forth our financial indebtedness as of March 31, 2024:

(₹ in Lakhs)

Particulars	As of March 31, 2024
Long-term borrowings	15.07
Short-term borrowings	3.97
Total	**19.04**

For further details of financial indebtedness as on March 31, 2024, see "*Financial Indebtedness*" on page 233.

Liquidity and Capital Resources

Our company has historically financed its operations through a combination of cash flow from operating activities, equity injections, finance arrangements and investments. Historically, the capital contributions were used primarily to support the growth of our company. Our company receives periodic payments under its VFX services contracts, which impacts the amount of cash available to us at a given date. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under "*Risk Factors*" on page 35. As of March 31, 2024, our cash and cash equivalents were ₹180.03 lakhs. Our short-term requirements include our working capital requirements and our long-term requirements include our capital expenditure requirements such as investments in various VFX software and technologies.

We monitor rolling forecasts of our liquidity position comprising cash and cash equivalents on the basis of expected cash flows. Our liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans. We have cash and cash equivalents and bank balances of ₹88.26 lakhs, ₹167.08 lakhs, and ₹180.03 lakhs as of March 31, 2022, March 31, 2023, and March 31, 2024, respectively.

Capital Expenditure

Capital expenditure primarily relates to addition of property, plant and equipment for purchase of computers & peripherals, furniture and fixture, vehicle and office equipment and addition of intangible assets such as software required to use in providing VFX services. The capital expenditure is currently funded through cash generated from operations and supplemented by equity contributions by our shareholders.

In Fiscals 2024, 2023 and 2022, we incurred capital expenditure for addition to property, plant and equipment of ₹120.76 lakhs, ₹26.32 lakhs, and ₹3.82 lakhs, primarily for computers & peripherals, furniture and fixture, vehicle and office equipment and we incurred capital expenditure for addition to intangible assets such as software of ₹100.00 lakhs, ₹17.14 lakhs and ₹0.40 lakhs.

Contingent Liabilities

As of March 31, 2024, we did not have any contingent liabilities as per AS 29.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. For further details, see "*Risk Factors*" on page 35.

Credit risk

Credit risk refers to the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our receivables from customers and loans. We have no significant concentration of credit risk with any counterparty. Our customer credit risk is managed by the relevant department subject to our established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed based on individual credit limits as defined by us. Outstanding trade receivables are regularly monitored. As of March 31, 2022, March 31, 2023, March 31, 2024, our trade receivables accounted for ₹612.91 lakhs, ₹50.65 lakhs and ₹52.12 lakhs in Fiscals 2024, 2023 and 2022, respectively.

Liquidity risk

Liquidity risk refers to the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or other financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Market Risks

Market risk refers to the risk that changes in market prices such as foreign exchange rates and interest rates will affect our income or value of our holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. We do not use derivatives to manage market risks.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our Company's functional currency is Indian Rupees (₹). Our Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects our Company's revenue from export markets. Our Company is exposed to exchange rate risk under its trade portfolio. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in reduction in our Company's receivables in foreign currency.

Inflation

In recent years, India has experienced relatively high rates of inflation. Inflation generally impacts the overall economy and business environment and hence could affect us.

Auditor Qualifications and Emphasis of Matter

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

Unusual or Infrequent Events or Transactions

There have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject to significant economic changes arising from the trends identified above in "- *Significant Factors Affecting our Financial Conditions and Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 35.

Future Relationship Between Cost and Revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 213.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 35, 116 and 158, respectively, for further information on our industry and competition.

Seasonality and Cyclicality of Business

Our business is not subject to seasonality.

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

Changes in revenue in the last three Fiscals, are as described in *"– Fiscal 2024 compared to Fiscal 2023*" and *"– Fiscal 2023 compared to Fiscal 2022*" above.

Significant Dependence on Single or Few Customers

Significant proportion of our revenue have historically been derived from top 10 customers. The % of contribution of our customers visà-vis the revenue from operations for the financial years March 31, 2024, 2023 and 2022 are as follows:

Particulars	**Customers**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Top 10 (%)	76.55%	80.01%	82.29%

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 158, and products that we announce in the ordinary course of business, we have not announced any new products or business segments.

Significant developments occurring after March 31, 2024

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. The name of the Company changed to "*Identical Brains Studios Private Limited*" vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of the Company held on March 22, 2024. The fresh Certificate of Incorporation consequent to conversion was issued on June 18, 2024 by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre.

2. The Board of the Company has approved bonus issue of equity shares in the ratio 1:2 in the board meeting held on June 19, 2024. The members of the Company approved proposal of Board of Directors for bonus issue of equity shares in the ratio 1:2 in the EGM held on June 21, 2024.

3. The bonus issue of equity shares in the ratio 1:2 was allotted in the board meeting held on July 01, 2024.

4. The status of the Company changed to Public Limited and the name of the Company was changed to "*Identical Brains Studios Limited*" vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of the Company held on June 21, 2024. The fresh Certificate of Incorporation consequent to conversion was issued on August 12, 2024 by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre.

5. The Board of the Company has approved to raise funds through Initial Public Offering in the board meeting held on August 13, 2024.

6. The members of the Company approved proposal of Board of Directors to raise funds through initial public offering in the AGM held on August 16, 2024.

Recent Accounting Pronouncements

As on the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations.

CAPITALISATION STATEMENT

The following table sets forth our capitalization as of March 31, 2024, derived from our Restated Financial Information:

(₹ in Lakhs)

Particulars#	Pre-Issue as at March 31, 2024	As adjusted for the Issue*
Borrowings**		
Long term borrowings (I)	3.97	[●]
Short term borrowings (II)	15.07	[●]
Total borrowings (III = I + II)	**19.04**	[●]
Equity		
Equity Share capital (IV)	688.80	[●]
Reserves and Surplus (V)	514.82	[●]
Total equity (VI = IV + V)	**1,203.62**	[●]
Long term borrowings / total equity (VII = I / VI) (times)	**0.013**	[●]
Total borrowings / total equity (VIII = III / VI) (times)	**0.016**	[●]

 # All terms shall carry the meaning as per Schedule III of the Companies Act, 2013.
** The corresponding post Issue capitalization data is not determinable at this stage pending the determination of the Issue Price and hence has not been furnished.*
*** Total borrowings are the sum of long-term borrowings and short-term borrowings.*

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for, inter alia, meeting our working capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 192.

We have applied for the necessary consents required under the relevant financing documentation for undertaking the activities in relation to the Issue, including, effecting change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

As of March 31, 2024, our outstanding borrowings aggregated to ₹19.04 Lakhs. The details of the indebtedness of our Company as on March 31, 2024, are provided below:

(₹ in Lakhs)

Nature of Borrowing	Name of Lender	Sanctioned Amount*	Outstanding amount as on March 31, 2024	Interest Rate and Security
Secured				
Term Loan	HDFC Bank Limited	22.09	19.04	**Security** Hypothecation of Car **Mode of Repayment** Monthly instalment of ₹0.45 Lakhs on 07th day of every month starting from June 07, 2023 for five years **Rate of Interest** 8.60%
Total		**22.09**	**19.04**	

**As certified by M/s. S.C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated August 26, 2024.*

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court); (ii) actions by statutory or regulatory authorities; (iii) claims for any direct or indirect tax liabilities; or (iv) proceedings (other than proceedings covered under (i) to (ii) above) which have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), involving our Company, Directors, Promoters or Subsidiary (the "**Relevant Parties**").*

*In relation to (iv) above, our Board in its meeting held on August 17, 2024 has considered and adopted a policy of materiality for identification of material litigation/arbitration ("**Materiality Policy**"). In terms of the Materiality Policy, the following shall be considered 'material' for the purposes of disclosure in the Draft Red Herring Prospectus:*

(i) Any pending litigation / arbitration involving the Relevant Parties, in which the aggregate monetary amount claimed, to the extent quantifiable, by or against the Relevant Parties (individually or in the aggregate) in any such litigation / arbitration proceedings is equal to or in excess of 10.00% of our net worth, derived from the Restated Financial Information as at March 31, 2024. The net worth of our Company for the Fiscal 2024 is ₹1,203.62 lakhs, and accordingly, all litigations involving our Company, in which the amount involved exceeds ₹120.36 lakhs have been considered as material, if any; or

(ii) Any pending litigation / arbitration proceedings involving the Relevant Parties wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company; or

(iii) Any pending litigation / arbitration proceedings involving the Relevant Parties where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed 10.00% of the Company's net worth, derived from the most recently completed fiscal year as per the Restated Financial Information included in this Draft Red Herring Prospectus.

Further, except as disclosed in this section, there are no (i) disciplinary actions taken against any of our Promoters by SEBI or any stock exchange in the five Fiscals preceding the date of this Draft Red Herring Prospectus; or (ii) litigation involving any Group Companies which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax / judicial/ quasi-judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, our Board, in its meeting held on August 17, 2024 has approved that a creditor of our Company shall be considered 'material' if the amount due to such creditor exceeds 10.00% percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The trade payables of our Company as on March 31, 2024, were ₹176.39 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹17.64 lakhs as on March 31, 2024.

Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.

Litigation involving our Company

1) Criminal proceedings

NIL

2) Actions by statutory or regulatory authorities

NIL

3) Claims related to direct and indirect taxes

- **Direct Tax:**

  NIL

- **Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (in Rupees)
1.	Prior Years	1,49,620.00
2.	2020-21	44,530.00
3.	2021-22	1,30,230.00
4.	2022-23	1,88,220.00
5.	2023-24	3,04,540.00
Total		**8,17,140.00**

4) Other material proceedings

NIL

Litigation involving our Promoters

1) Criminal proceedings

NIL

2) Actions by regulatory authorities and statutory authorities

NIL

3) Claims related to direct and indirect taxes

- **Direct Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Promoters are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in ₹)	Accrued Interest (in ₹)
Raghvendra Rai						
2023	143(1)(a)	2023202337232156813T	December 29, 2023	1	7,600.00	456.00
				Total	7,600.00	456.00

4) Other pending proceedings

NIL

5) Disciplinary action including any penalty taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

No disciplinary action including any penalty has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

Litigation involving our directors other than Promoters

1) Criminal proceedings

NIL

2) Actions by regulatory authorities and statutory authorities

NIL

3) Claims related to direct and indirect taxes

NIL

4) Other pending proceedings

NIL

Outstandings dues to small scale undertakings or any other creditors

In terms of the Materiality Policy, such creditors are considered 'material' to whom the amount due exceeds 10% percent of the trade payables of our Company as on March 31, 2024. Our Company owed a total sum of ₹176.39 lakhs to a total number of 214 creditors, as on March 31, 2024. The details of our outstanding dues to the 'material' creditors of our Company, MSMEs, and other creditors, as on March 31, 2024, are as follows:

Particulars	Number of Creditors	Amount (₹ in Lakhs)
Micro, Small & Medium Enterprises	-	-
Material creditors	1	116.00
Other Creditors	213	60.39
Total	**214**	**176.39**

Material Developments

Except as stated in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 214, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our trading or profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of approvals and registrations required to be obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). Except as disclosed below, no further approvals are material for carrying on the present business activities and operations of our Company. Unless otherwise stated, these Material Approvals are valid as on the date of this Draft Red Herring Prospectus. Certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and our Company have either already made Bids to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal Bids in accordance with applicable law.*

Pursuant to the conversion of our Company into a public limited company and the consequent change in name of our Company, our Company is in the process of changing our name as it appears on various approvals and licenses.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 179. For details of risk associated with not obtaining or delay in obtaining the requisite Material Approvals, see "Risk Factors – Legal and Regulatory Risks- We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition." on page 47.

Our Company has business located at the following locations:

Registered Office:

802, 803 and 804, Crescent Royale, Veera Desai Road, off. New Link Road, Oshiwara, Andheri, Mumbai – 400 053, Maharashtra, India.

Branch Offices:

- A/201, Mayur Plaza, Near Phila Hospital, Tembhode Road, Palghar – 401 404, Maharashtra, India
- 48B, Shringar Nagar, Manak Nagar Station Road, Alambagh, Lucknow – 226 005, Uttar Pradesh, India
- 1578, Plot no. 16, Saheed Nagar, Pushpender Nagar Marg, Near Rajvansh Apartment, Gaushala Road, Lucknow – 226 025, Uttar Pradesh, India.

I. Approvals for the Issue:

Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

a. Our Board of Directors have pursuant to a resolution passed at their meeting held on August 13, 2024, authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.

b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 by Special Resolution in the Annual General Meeting held on August 16, 2024.

ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE0TD101011.

Lender Consent

Our Company has applied for the consent letter on August 21, 2024 from HDFC Bank Limited.

Stock Exchange

In-Principal approval letter dated [●] from NSE for the listing of equity shares issued by our Company pursuant to the Issue.

II. Approvals obtained by our Company

S. No.	Nature of License / Approval	Registration / License No.	Issuing Authority	Date of Grant	Validity
1.	Certificate of Incorporation in the name of Identical Brains (OPC) Private Limited	U22219MH2019OPC320624	Registrar of Companies, Central Registration Centre	February 04, 2019	One Time Registration
2.	Certificate of Incorporation upon conversion from OPC Company to a Private Limited Company	U22219MH2019PTC320624	Registrar of Companies, Mumbai	July 08, 2021	One Time Registration
3.	Certificate of Incorporation pursuant to change in name of the Company from "Identical Brains Private Limited" to "Identical Brains Studios Private Limited"	U22219MH2019PTC320624	Registrar of Companies, Central Processing Centre	June 18, 2024	One Time Registration
4.	Certificate of Incorporation pursuant to Conversion of the Company from a Private Limited Company to Public Limited i.e., "Identical Brains Studios Private Limited" to "Identical Brains Studios Limited"	U22219MH2019PLC320624	Registrar of Companies, Office of the Central Processing Centre	August 12, 2024	One Time Registration
TAX RELATED APPROVALS					
5.	*Permanent Account Number ("PAN")	AAFCI1610J	Income Tax Department, Government of India	February 04, 2019	One Time Registration
6.	*Tax Deduction Account Number ("TAN")	PNEI09045B	Income Tax Department, Government of India	February 04, 2019	One Time Registration
GOODS AND SERVICE TAX REGISTRATION					
7.	*Certificate of Registration under Maharashtra Goods and Services Tax Act, 2017	27AAFCI1610J1ZS	State Tax Officer, Goods and Services Tan Network 07, Government of India	February 14, 2019	One Time Registration
BUSINESS RELATED APPROVALS					
8.	*Udyam Registration Certificate under Micro, Small and Medium Enterprises Development Act, 2006	UDYAM-MH-19-0087634	Government of India, Ministry of Micro, Small and Medium Enterprises, Government of India	September 23, 2021	One Time Registration
9.	*Importer Exporter Code	AAFCI1610J	Ministry of Commerce and Industry, Government of India	January 16, 2024	One Time Registration
10.	*Registration under the Maharashtra Shops and	820284689/ KW Ward/ Shop I	Principle Officer shops and	May 02, 2023	One time Registration

S. No.	Nature of License / Approval	Registration / License No.	Issuing Authority	Date of Grant	Validity
	Establishments (Regulation of Employment and Conditions of Service) Act, 2017		Establishment Department		
11.	*Registration under the Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017	890829810/ KW Ward/ Commercial II	Principle Officer shops and establishment department	February 21, 2024	One Time Registration
12.	*Registration certificate under Maharashtra State Tax on Professions, Trades, Callings, and employment Act, 1975	27441970164P	Sales Tax Department, Government of Maharashtra	March 01, 2019	One Time Registration
13.	*Enrolment certificate under Maharashtra State Tax on Professions, Trades, Callings, and employments Act, 1975	99874757150P	Sales Tax Department, Government of Maharashtra	April 01, 2019	One Time Registration
LABOUR RELATED APPROVALS					
14.	*Copy of Registration under Employees State Insurance Act, 1948	35000916240001099	Employees State Insurance Corporation, Ministry of Labour and Employment, Government of India	February 04, 2024	One Time Registration

**The above-mentioned approvals are in the previous name of the Company i.e., "Identical Brains Private Limited". The Company is in the process of changing its name from "Identical Brains Private Limited" to "Identical Brains Studios Limited" in all its approvals.*

III. Approvals Obtained / Applied in relation to Intellectual Property Rights:

Sr. No.	Word / Label / Mark / Design	Application No.	Class	Registration / Application date	Status / Validity
1.	* IDENTICAL BRAINS ® VFX ACADEMY THINK VFX THINK IB	5908216	41	April 25, 2023	Registered

**The said Trademarks is in the name of Identical Brains Private Limited. The Company is in the process of changing its name from "Identical Brains Private Limited" to "Identical Brains Studios Limited" in all its approvals.*

IV. The details of Domain Name registered in the name of the Company:

Sr. No.	Domain Name and Id	Iana Id	Creation Date	Expiry Date
1.	**Domain name –** https://identicalbrains.com/ **Domain ID –**2478790355_DOMAIN_COM-VRSN	895	January 11, 2020	January 11, 2025

V. Certificates in the name of the Company

Sr. No.	Particulars / Description	Certificate / Registration Number	Date of Certificate	Expiry Date
1.	*Certificate of Recognition as a Startup issued by the Department for promotion of Industry and Internal Trade	DIPP131963	May 18, 2023	February 03, 2029
2.	*Trusted Partner Network certificate	NA	April 19, 2024	April 19, 2025

**The above-mentioned approval is in the previous name of the Company i.e., "Identical Brains Private Limited". The Company is in the process of changing its name from "Identical Brains Private Limited" to "Identical Brains Studios Limited" in all its approvals.*

VI. Pending Approvals

NIL

VII. Pending Approvals with respect to New Lucknow Office

Registration certificate under The Uttar Pradesh Dookan Aur Vanijya Adhishthan Niyamavali, 1962 for branch offices in Uttar Pradesh.

SECTION IX – OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of ‘group companies’, our Company has considered (i) such companies (other than our Promoters and our Subsidiary) with which there were related party transactions during the period for which Restated Financial Information have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards (i.e., AS 18); and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board, in its meeting held on August 17, 2024, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a ‘group company’ in this Draft Red Herring Prospectus. In terms of such materiality policy, if a company (other than our Promoters and our Company’s Subsidiary) (a) is a member of the Promoter Group; and (b) has entered into one or more transactions with our Company during the last completed Financial Year and the most recent stub period included in the Restated Financial Information, which individually or in aggregate in value exceeds 10% of the revenue from operations of the Company as per the Restated Financial Information of the last completed financial year, it shall be considered material and disclosed as a ‘group company’.

Accordingly, (i) all such companies (other than our Promoters and our Subsidiary) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., AS 18), as per Restated Financial Information; and (ii) any other companies which are considered material by our Board, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the parameters set out above, there are no Group Companies identified by our Board.

SECTION X – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated August 13, 2024 and the Issue has been authorized by a special resolution of our Shareholders dated August 16, 2024.

Our Board, pursuant to its resolution dated August 28, 2024 have approved this Draft Red Herring Prospectus.

Our Company has received in-principle approval from NSE for the listing of the Equity Shares pursuant to letters dated [●].

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the persons in control of our Company, our directors and the members of the Promoters Group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, and the members of the Promoter Group severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are associated with the securities market.

There has been no outstanding action(s) initiated by SEBI against the directors of our company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

We are an unlisted company and are eligible for the Initial Public Offer in accordance with Regulation 229 (2) of the SEBI ICDR Regulations which states the following:

"*An issuer, whose post issue face value capital is more than ten crore rupees and upto twenty- five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.*"

Further, as per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge on which the specified securities are proposed to be listed.

a) Our Company was incorporated on February 04, 2019, under the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre.

b) As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹1,033.20 Lakhs comprising 1,03,31,958 Equity Shares of ₹10/- each and the post issue paid-up Capital (face value) will be ₹ [●] Lakhs comprising up to 1,40,25,958 Equity Shares which shall be below ₹25 crores.

c) Our Company confirms that it has track record of more than 3 years.

d) Our promoters, Raghvendra Rai and Sameer Rai have minimum 3 years of experience in the same line of business of our company and shall be holding at least 20% of the post issue equity share capital individually or severally.

e) As per the Restated Financial Information, our operating profit (earnings before interest, depreciation and tax excluding other income) from operations and net-worth were:

(₹ in Lakhs)

Particulars	As at 31st March		
	2024	2023	2022
Restated profit before taxes (I)	737.35	223.55	69.26

Particulars	As at 31st March		
	2024	**2023**	**2022**
Finance costs (II)	2.02	0.29	0.37
Depreciation and Amortisation expense (III)	39.92	11.90	2.16
Other income (IV)	17.58	3.97	1.46
EBITDA (V) (I + II + III - IV)	**761.71**	**231.77**	**70.33**
Net worth	1,203.62	288.51	127.23

Hence, in all the 3 financial years preceding the date of this Draft Red Herring Prospectus and its net-worth is positive.

f) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.

g) There is no winding up petition against the company, which has been admitted by NCLT / Court of competent jurisdiction or a liquidator has not been appointed.

h) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.

i) Our company has ensured that none of the merchant bankers involved in the IPO have instances of any of their IPO draft offer document filed with the NSE being returned in the past 6 months from the date of application.

j) We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our Company in the Draft Red Herring Prospectus.

k) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Draft Red Herring Prospectus.

l) We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter "*Outstanding Litigation and Material Developments*" on page 234.

m) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of our company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For details, refer the chapter "*Outstanding Litigation and Material Developments*" on page 234.

n) The application for listing of the equity shares of our company has not been rejected by the NSE in last 6 complete months.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) and Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is eligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 228 of the SEBI ICDR Regulations:

(a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoter or director of companies which are debarred from accessing the capital markets by the SEBI.

(c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.

(d) None of our Promoters or Directors is a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 50, failing which, the entire application money will be refunded forthwith, in accordance with the SEBI ICDR Regulations and applicable law.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SOCRADAMUS CAPITAL PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and the Book Running Lead Manager

Our Company, our directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, https://identicalbrains.com/ or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement, Underwriting Agreement and Market Maker Agreement.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres or elsewhere.

Prospective Investors who Bid in this Issue will be required to confirm and will be deemed to have represented to our Company, Underwriter, Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, Underwriter, Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire Equity Shares.

The Book Running Lead Manager and their associates and affiliates in their capacity as principals or agents may engage in transactions with and perform services for, our Company, our Promoters, members of the Promoter Group and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, members of the Promoter Group and their respective directors, officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, multilateral and bilateral development financial institutions, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign Bidders, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to apply for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with NSE for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of this Draft Red Herring Prospectus under any circumstances, does not create any implication that there has been any change in the affairs of our Company since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act 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 state securities law. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no offering of securities in the United States.

The Equity Shares are being offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur and in each case who are deemed to have made the representations set forth immediately below.

Restrictions on Transfers

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities' regulatory authority of any state of the United States and accordingly may not be offered, sold, resold, pledged or transferred 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;

2. the purchaser is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an "offshore transaction" meeting the requirements of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

7. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

8. the purchaser understands and acknowledges that the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above stated restrictions; and

9. the purchaser acknowledges that the Company, the members of the Syndicate, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus will be submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

Listing

The Equity Shares issued pursuant to the Red Herring Prospectus are proposed to be listed on NSE Emerge. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to the NSE for obtaining their permission for the listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the NSE, our Company shall forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus in accordance with applicable law.

If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the NSE Emerge are taken within three Working Days from the Bid / Issue Closing Date or within such other period as may be prescribed. If the Company does not Allot the Equity Shares within one Working Day from the Bid / Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Account will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

Consents

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, legal advisor to the Issue, Bankers to our Company, the Book Running Lead Manager, the Registrar to the Issue, and D&B have been obtained; and consents in writing of the Public Issue Account Bank, Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of filing of the Prospectus with the RoC.

Experts to the Issue

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

Our Company has received written consent dated August 21, 2024 from, M/s. S C Mehra & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 21, 2024 on our Restated Financial Information; and (ii) their report dated August 21, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our company during the last five years and performance visà-vis objects

Our Company has not made any public issue (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus. Further, except as disclosed in "*Capital Structure*" on page 79, our Company has not made any rights issue during the five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by listed subsidiary during the last five years and performance visà-vis objects

We do not have any subsidiary as on date of this Draft Red Herring Prospectus.

Underwriting commission, brokerage and selling commission paid on previous issues of the equity shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our company

Other than as disclosed in chapter titled "*Capital Structure*" on page 79, our Company has not undertaken any capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed subsidiaries, group companies, or associates of our company

Our Company does not have any listed subsidiaries, group companies or associates as on date of this Draft Red Herring Prospectus.

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

1. **Price information of past issues handled by Socradamus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):**

Since this is the second draft Offer Document filed by Socradamus Capital Private Limited, as the Book Running Lead Manager, price information of the past issues handled by the Book Running Lead Manager is not applicable.

2. **Summary statement of price information of past issues handled by Socradamus Capital Private Limited (during current financial year and two financial years preceding the current financial year):**

Since this is the second draft Offer Document filed by Socradamus Capital Private Limited, as the Book Running Lead Manager, price information of the past issues handled by the Book Running Lead Manager is not applicable.

Track record of past issues handled by Book Running Lead Manager

For details regarding track record of the Book Running Lead Manager as specified in the Circular (reference no. CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, please see the website of the Book Running Lead Manager at: https://socradamus.in/track-records/.

Stock market data of equity shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchange or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager or the Registrar to the Issue, in the manner provided below. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Issue related grievances may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For issue related grievances, Bidders may contact the Book Running Lead Manager, details of which are given in "*General Information*" on page 69.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, the investor shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Pursuant to the SEBI master circular, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/ non-allotment within prescribed timelines and procedures.

In terms of SEBI Master Circular issued by the SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, and such Bid shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the Bidder:

Scenario	**Compensation amount**	**Compensation period**
Delayed unblock for cancelled/withdrawn/deleted Bids	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original Bid Amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non–Allotted/partially Allotted Bids	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchange, with a copy to the Registrar to the Issue.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. Our Company, the BRLM, and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our company

Our Company shall, after filing this Draft Red Herring Prospectus, obtain authentication on the SCORES in compliance with the SEBI circular bearing reference no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders Relationship Committee, please see "*Our Management – Corporate Governance*" on page 196.

Our Company has also appointed Pallavi Ashok Chavan, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, "*General Information – Company Secretary and Compliance Officer*" on page 70.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

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

SECTION XI – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted pursuant to the Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI LODR Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI, and/or other authorities, as in force on the date of this Issue and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

Ranking of the equity shares

The Equity Shares being issued, offered and Allotted in the Issue shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, please see "*Main Provisions of the Articles of Association*" on page 279.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Allottees, in accordance with applicable law. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on page 209 and 279, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹10/- each and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the Book Running Lead Manager and published by our Company in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, 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 Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective website of the Stock Exchange. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid / Issue Closing Date, on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the equity shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;

- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of the Articles of Association*" on page 279.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialized form only. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated February 07, 2024 amongst our Company, CDSL and Registrar to the Issue.
2. Tripartite agreement dated February 08, 2024 between our Company, NSDL and Registrar to the Issue.

Minimum bid value, market lot and trading lot

Trading of the Equity Shares will happen in the minimum lot size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE Emerge from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Bidders.

Further, in accordance with SEBI ICDR Regulations, the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per Bid.

Joint holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

Nomination facility to bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the nominating holder of such equity shares. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Collecting Depository Participant of the Bidder would prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid / Issue period

Bid / Issue Opens on	[●]
Bid / Issue Closes on	[●]

(1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid / Issue Period shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI ICDR Regulations.
(2) Our Company in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs, one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.
(3) UPI mandate end time and date shall be at 5.00 p.m. on Bid / Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	**Indicative Date**
Bid / Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Refunds for Anchor Investors / unblocking of funds from ASBA Account*	On or before [●]
Credit of Equity Shares to demat account of the Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/ deletion is placed in the Stock Exchange bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the investor shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid / Issue Closing Date, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid / Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The investor shall be compensated in the manner specified in the SEBI master circular and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable. The processing fees for Bids made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working days of the Bid / Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid / Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange and delay in respect of final certificates from SCSBs. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue will be made under UPI Phase III on mandatory basis, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid / Issue Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid / Issue Period (except the Bid / Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid / Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA Applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non- Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. on the Bid / Issue Opening Date and up to 4.00 p.m. IST on Bid / Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs Only	Only between 10.00 a.m. on the Bid / Issue Opening Date and up to 5.00 p.m. IST on Bid / Issue Closing Date

**UPI mandate end time and date shall be at 5:00 pm on the Bid / Issue Closing Date.*
#QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/ withdraw their Bids.

On the Bid / Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders; and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On Bid / Issue Closing Date, extension of time may be granted by Stock Exchange only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled / withdrawn / deleted Bids to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Issue Opening Date till the Bid / Issue Closing Date by obtaining the same from the Stock Exchange. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the Registrar to the Issue on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid / Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid / Issue Closing Date, and in any case no later than 1:00 p.m. IST on the Bid / Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid / Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid / Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid / Issue period. Bidders may please note that as per letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by NSE, Bids and any revision to the Bids shall not be accepted on Saturdays and public holidays as declared by the

Stock Exchange. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchange.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid / Issue Period till 5.00 pm on the Bid / Issue Closing Date after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

Our Company in consultation with the Book Running Lead Manager, reserve the right to revise the Price band during the Bid / Issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid / Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid / Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of one Working Day, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid / Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchange shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 50, failing which the entire Bid money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the Bid money in accordance with applicable laws.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum lot size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum lot size allowed for trading on the NSE Emerge.

New financial instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions, if any on transfer and transmission of equity shares

Except for the lock-in of the pre-Issue Equity Shares, the minimum Promoters' contribution and Equity Shares allotted to Anchor Investors pursuant to the Issue as detailed in "*Capital Structure*" on page 79, and except as provided in our Articles of Association there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. For details, see "*Main Provisions of the Articles of Association*" on page 279.

Option to receive equity shares in dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange. However, Allotees may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid / Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-issue advertisements were published, within one day of the Bid / Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchange shall be informed promptly in this regard by our Company. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

If our Company in consultation with the Book Running Lead Manager withdraws the Issue after the Bid / Issue Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with NSE. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and within two Working Days of the Bid / Issue Closing Date or such other time period as prescribed under applicable law. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

Migration to Main Board

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular download ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular download ref. No. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021. NSE has further reviewed and revised the migration policy effective from April 20, 2023 from NSE Emerge to NSE Main Board as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores**
   *** Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the Bid date) and the post issue number of equity shares*

2. The company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration Bid and has positive PAT in the immediate Financial Year of making the migration Bid to Exchange.

3. The company should have been listed on SME platform of the Exchange for at least 3 years.

4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.

5. The company has not received any winding up petition admitted by a NCLT.

6. The net worth of the company should be at least ₹50 crores.

7. Total number of public shareholders on the last day of preceding quarter from date of Bid should be at least 1,000.

8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:

   a) The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.

   b) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.

   c) Redressal mechanism of investor grievance.

   d) PAN and DIN no. of Director(s) of the Company.

   e) Change in Control of a Company/Utilisation of funds raised from public.

ISSUE STRUCTURE

The Issue is up to 36,94,000 Equity Shares of face value of ₹10/- each, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs. The Issue comprises Market Maker Reservation Portion of up to [●] Equity Shares and a Net Issue of up to [●] Equity Shares. The Market Maker Portion shall be at least 5% of our post Issue Equity Share capital. The Issue and the Net Issue shall constitute [●] % and [●] %, respectively of the post Issue Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Issue is being made through the Book Building Process, in compliance with Regulation 252 of the SEBI ICDR Regulations.

Particulars	**Market Maker Reservation Portion**	**QIBs** (1)	**NIBs**	**RIBs**
Number of Equity Shares available for allocation / allotment*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue Size available for allotment / allocation	The Market Maker Reservation Portion shall constitute [●] % of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment / allocation if respective category is oversubscribed*	Firm Allotment	Proportionate as follows (Excluding the Anchor Investor Portion): a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above;	The Allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non- Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. See "*Issue Procedure*" on page 260

Particulars	Market Maker Reservation Portion	QIBs [1]	NIBs	RIBs
		c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹2.00 lakhs	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹2.00 lakhs	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the Anchor Investor Portion), subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so as to ensure that the Bid Amount does not exceed ₹2.00 lakhs
Lot Size	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment^	Compulsorily in dematerialised form			
Trading Lot	[●] Equity Shares. However, the Market Maker may buy odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares		
Who can Apply [3] [4] [5]	Market Maker	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Market Maker Reservation Portion	QIBs (1)	NIBs	RIBs
		the Pension Fund Development and Regulatory Authority, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI		
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids (5) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Applying^	ASBA Process only (except in case of Anchor Investors)	ASBA Process only (except in case of Anchor Investors)	ASBA Process only (including the UPI Mechanism to the extent of Bids up to ₹5.00 lakhs)	ASBA Process only (including the UPI Mechanism)

**Assuming full subscription in the Issue*

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA Applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchange shall, for all categories of Investors viz. QIB, NIB and RIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA Applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 lakhs but up to ₹2,500.00 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 lakhs, and an additional 10 Anchor Investors for every additional ₹2,500.00 lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLM.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 253(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Net Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

(3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(4) Bids by FPIs with certain structures as described under "Issue Procedure – Bids by FPIs" on page 266 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares pursuant to the Issue.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. Investors should note that the details and process provided in the General Information Document should be read along with this section.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of Bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint Bids in cases of individual, multiple Bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("**UPI Phase II**"). The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular shall come into force for initial public offers opening on/or after May 1, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In terms of Regulation 244 (5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead Manager shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, the Investor shall be compensated in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. Further, our Company and *the Syndicate are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.*

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL; our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of this Draft Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Issue equity shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid / Issue Opening Date.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 252 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, in compliance with Regulation 253 (1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Issue Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In accordance with Rule 19(2)(b) of the SCRR, the Issue will constitute at least [●] % of the post Issue paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar was extended to June 30, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders applying through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased Implementation of UPI For Bids by RIBs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

(c) **Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post Issue Book Running Lead Manager will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Issue will be made under UPI Phase III of the UPI Circulars.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building Process on a regular basis before the closure of the Issue.

b) On the Bid / Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchange's platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Issue Closing Date to modify select fields uploaded in the Stock Exchange's platform during the Bid / Issue Period after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the website of NSE (www.nseindia.com) at least one day prior to the Bid / Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

UPI Bidders applying using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms submitted by UPI Bidders that do not contain the UPI ID are liable to be rejected.

Bidders (other than Anchor Investors and UPI Bidders applying using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the applications are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Issue must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA Bids in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchange shall accept the ASBA applications in their electronic bidding platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of Bidders viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

**Excluding Electronic Bid cum Application Forms.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchange. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders applying using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank. For UPI Bidders using the UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile Bids associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchange bidding platform and the liability to compensate RIBs (applying through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / Bidder complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Manager for analysing the same and fixing liability. For ensuring timely information to Bidders, SCSBs shall send SMS alerts as specified in SEBI RTA Master Circular.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bid with a confirmation cut-off time of 5:00 pm on the Bid / Issue Closing Date ("**Cut- Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchange and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchange platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid / Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Issue Bidding process.

Participation by Promoters, Promoter Group, the BRLM, associates and affiliates of the BRLM and the syndicate members and the persons related to Promoters, Promoter Group, BRLM and the syndicate members and bids by Anchor Investors

The BRLM and the Syndicate Members shall not be allowed to purchase/subscribe the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase/subscribe to the Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLM or insurance companies promoted by entities or pension funds sponsored entities which are associates of the BRLM, no BRLM or their respective associates can apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other;

or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Issue under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with Book Running Lead Manager, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its NAV in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific scheme. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of UPI Bidders using the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs applying on a non-repatriation basis should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of UPI Bidders applying using the UPI Mechanism) to block their Non-Resident Ordinary Accounts ("**NRO Account**") for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Bid cum Application Form.

In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants offered by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs applying on a repatriation basis are advised to use the Bid cum Application Form meant for non-residents ([●] in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Bid cum Application Form for residents. ([●] in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 278.

Bids by HUFs

Bids by HUFs should be in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Bidder group (which means multiple entities registered as foreign portfolio Bidders and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post Issue Equity Share capital. In case the total holding of an FPI or Bidder group increase beyond 10% of the total paid-up Equity Share capital of our Company, the total investment made by the FPI or Bidder group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the Bidder will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the automatic route). In terms of the FEMA NDI Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with Book Running Lead Manager reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
b) such offshore derivative instruments are offered only to persons eligible for registration as Category I FPIs;
c) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and
d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids and are liable to be rejected:

- FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Bidders and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

- Sub funds or separate class of Bidders with segregated portfolio who obtain separate FPI registration;

- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.

- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related Bidders registered as Category I FPIs; and

- Entities registered as collective investment scheme having multiple share classes.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bid using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs must ensure that any Bid by a single FPI and/ or an Bidder group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs applying through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA NDI Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by SEBI registered AIFs, VCFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, VCFs which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA NDI Rules.

All Non-Resident Bidders should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing which, the Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and Master Direction - Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate equity investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed) and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 02, 2013 respectively. Such SCSBs are required to ensure that for making Bids on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid in public offers and clear demarcated funds should be available in such account for such Bids.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 read with the investments – master circular dated October 27, 2022, each as amended ("**IRDA Investment Regulations**") and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bid by NBFC-SI

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bid under power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the Book Running Lead Manager, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the Book Running Lead Manager, may deem fit.

Bid by Provident Funds / Pension Funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company and, in consultation with Book Running Lead Manager reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 Lakhs.

(c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid / Issue Opening Date and will be completed on the same day.

(e) Our Company, in consultation with the BRLM will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹200.00 Lakhs;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and

- in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional 10 Anchor Investors for every additional ₹2,500.00 Lakhs, subject to minimum Allotment of ₹100.00 Lakhs per Anchor Investor.

(f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLM before the Bid / Issue Opening Date, through intimation to the Stock Exchange.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities or pension funds sponsored by entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) can apply in the Issue under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

Pre-Issue Advertisement

Our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation. Our Company shall, in the pre-Issue advertisement state the Bid / Issue Opening Date and the Bid / Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the ROC

Our company has entered into an Underwriting Agreement dated [●].

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid / Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price band;

4. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders applying using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID and not the bank account of any third party;

5. UPI Bidders applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the Bid amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

6. UPI Bidders applying using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the Bid appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

8. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate members, Sub-Syndicate members, Registered Brokers, RTA or CDP;

10. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

11. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

12. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Collecting Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 and SEBI circular no. MRD/DoP/SE/Cir-13/06 dated September 26, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for Bidders residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account

remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other Bids in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchange;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders applying using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Bid amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

26. FPIs making MIM Bids using the same PAN and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

27. In case of QIBs and NIBs, ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. UPI Bidders applying using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the Retail Individual Bidder shall be deemed to have verified the attachment containing the Bid details of the Retail Individual Bidder applying using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid cum Application Form in his / her ASBA Account;

29. UPI Bidder applying using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

30. UPI Bidders applying using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

31. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RII’s ASBA Account;

32. ASBA Bidders shall ensure that Bids above ₹5.00 lakhs, are uploaded only by the SCSBs;

33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. on the Bid / Issue Closing Date.

34. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar has been extended to June 30, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Bid made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the SEBI RTA Master Circular is liable to be rejected.

Don'ts:

1. Do not bid for lower than the minimum Bid size;

2. Do not bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not bid for a Bid Amount exceeding ₹2,00,000 (for Bids by RIBs);

4. Do not bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "*– Bids by HUFs*" on page 265;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

11. Do not bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. If you are a QIB or an NIB, do not submit your Bid after 4.00 p.m. on the Bid / Issue Closing Date. If you are an RIB or Market Maker applying under the reserved category, do not submit your Bid after 5.00 p.m. on the Bid / Issue Closing Date;

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. If you are a UPI Bidder using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

17. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5,00,000;

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details or a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or an Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids until the Bid / Issue Closing Date;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

27. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

28. Do not bid for Equity Shares more than specified by respective Stock Exchange for each category;

29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

30. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

31. Do not apply if you are an OCB.

For helpline details of the Book Running Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Manager*" on page 70.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSB and/or using a Mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. Bid cum Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bid submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular number: CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bid by Retail Individual Bidders with Bid Amount for a value of more than ₹2,00,000;

13. Bids by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash;

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid / Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Issue Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Issue Closing Date, unless extended by the Stock Exchanges.

In case of any pre-Issue or post Issue related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information – Company Secretary and Compliance Officer*" on page 70.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, the investor shall be compensated in accordance with applicable law. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Master circular and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company shall not make an allotment pursuant to this Issue if the number of allottees in the Issue is less than fifty. Further, our Company will not make any Allotment in excess of the Equity Shares offered through the Issue through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 10% of the Net Issue to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the Minimum Lot Size, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the Minimum Lot Size, subject to the availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account. The payment instruments for payment into the Escrow Account should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"
(ii) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from Anchor Investors.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, the Book Running Lead Manager and the Registrar to the Issue, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchange where the Equity Shares are proposed to be listed, provided such final listing and trading approval from the Stock Exchange is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchange is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from the Stock Exchange where the equity shares of our company are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the Book Running Lead Manager and the Registrar to the Issue, following the receipt of final listing and trading approval from all the Stock Exchange.

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated February 07, 2024, amongst our Company, NSDL and Registrar to the Issue.
- Tripartite agreement dated February 08, 2024, amongst our Company, CDSL and Registrar to the Issue.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within three Working Days of the Bid / Issue Closing Date or such other time as may be prescribed by SEBI;

(iv) that funds required for making refunds/unblocking to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Issue after the Bid / Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company in consultation with the Book Running Lead Manager, withdraw the Issue after the Bid / Issue Closing Date, our Company shall be required to file a fresh draft offer document with Stock Exchange, in the event our Company subsequently decide to proceed with the Issue thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

(ix) that the promoter contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro-rata basis before the calls are made on public in accordance with applicable provisions of SEBI ICDR Regulations;

(x) that no further issue of securities shall be made till the securities offered through the offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with the SEBI ICDR Regulations;

(xi) that adequate arrangements shall be made to consider all ASBA Applications as similar to non-ASBA Applications while finalising the basis of allotment; and

(xii) Compliance with all disclosure and accounting norms as may be specified by SEBI from time to time.

Utilisation of Issue Proceeds

Our Board certifies that:

- all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who – (a) makes or abets making of an Bid in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple Bids to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases.

The DPIIT issued, issued the Consolidated FDI Policy which, with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases, clarifications, circulars on FDI issued by the DPIIT, which were in force and effect prior to October 15, 2020. In terms of the Consolidated FDI Policy and FEMA Rules, a company seeking an industrial licence shall be permitted to have foreign direct investment up to 49% under the automatic route and above 49% under approval route on case-to-case basis, wherever it is likely to result in access to modern technology in India or for other reasons.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the investor shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Bid / Issue Period. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

For further details, see "*Issue Procedure*" on page 260.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act 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 state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. There will be no offering of securities in the United States.

The above information is given for the benefit of the Investors. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Investors are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION XII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of Identical Brains Studios Limited (the "**Company**") held on June 21, 2024. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

#THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

IDENTICAL BRAINS STUDIOS LIMITED

IN THESE REGULATIONS

1. * (a) The "Act' means Companies Act, 2013 along with its rules and regulations, as may be applicable from time to time.

   (b) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

Preliminary

2. (a) Table "F" not to apply but company to be governed by these Articles

   No regulations contained in Table "F" of Schedule I to the Companies Act, 2013 ("Table F") as are applicable to a public company limited by shares, shall apply to the Company except:

   (i) so far as they are not inconsistent with any of the provisions contained in these articles or modifications thereof; or (ii) to the extent that there is no specific provision in these articles. In case of any conflict between the provisions of these articles and table F, the provisions of these articles shall prevail.

   (b) Applicability of Stock Exchange Regulations

   Notwithstanding anything contained herein in these Articles, any inconsistency as to clause or time stipulated therein with the regulations and conditions of listing agreement of applicable stock exchanges, where the shares/securities of the Company are listed, shall stand modified so as to be consistent with the regulations and conditions of the listing agreement as amended from time to time.

**** The above clause was amended vide a Resolution passed in Board Meeting dated 19th June 2024 & Special Resolution passed at the Extra Ordinary General meeting of the shareholders of the Company held on 21st June, 2024 for Conversion of Company from "Private Limited" to "Public Limited" and consequently to delete the word "Private" before the word "Limited" wherever it appears in the Articles of Association.***

#Adopted whole new set of Articles of Association vide passing special resolution at the Members Extra Ordinary General Meeting held on 21st June 2024.

   Where any regulations and conditions as modified from time to time of any recognized stock exchange/s, which are required to be stipulated and included in the articles of association of a company at the time of listing of shares / securities or thereafter, these Articles shall stand to have been modified or amended so as to include such regulation and condition without further requirement of alteration of the Articles of Association of the Company.

Interpretation

3. Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined.

Words and expressions occurring, but not defined, in these Articles and defined in the Act, SCRA, SEBI Act or regulations/notifications/circulars issued by SEBI (from time to time) shall have the same meanings respectively assigned to them thereunder or in any statutory.

In the interpretation of these articles, unless there be something in the subject or context inconsistent therewith;

i. "The Company" or "This Company" means **IDENTICAL BRAINS STUDIOS LIMITED (Formerly known as "Identical Brains Studios Private Limited and prior to that known as "Identical Brains Private Limited). ***

ii. The company is a public company as defined in Section 2(71) of the Act.

iii. "Alter" or "alteration" includes the making of additions, omissions and substitutions.

iv. "Associate company" means a company in which that other company has significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company

v. "Authorized capital" or "nominal capital" means such capital as is authorized by the memorandum of a company to be the maximum amount of share capital of the company.

vi. "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company;

vii. "The Chairman" means the Chairman of the Board of Directors / Committee for the time being of the Company.

viii. "Director" mean the Directors appointed to the Board of a company.

ix. "Dividend" includes any interim dividend.

x. "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

**** The above clause was amended vide a Resolution passed in Board Meeting dated 19th June 2024 & Special Resolution passed at the Extra Ordinary General meeting of the shareholders of the Company held on 21st June, 2024 for Conversion of Company from "Private Limited" to "Public Limited" and consequently to delete the word "Private" before the word "Limited" wherever it appears in the Articles of Association.***

xi. "In writing" "in writing" and "written" - include printing, lithography and other modes and "written" of representing or reproducing words in a visible form.

xii. "Law/Laws" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental Authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

xiii. "Member" in relation to a company, means—

(ii) The subscriber to the memorandum of the company, who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;

(iii) Every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;

(iv) Every person holding shares of the company and whose name is entered as beneficial owner in the records of a depository;

xiv. "Memorandum" means the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any previous company law or of this Act.

xv. "Meeting" or "General Meeting" - means a meeting of members.

xvi. "Month" means calendar month.

xvii. "Annual General Meeting" - means a General meeting of the members held in accordance with the provisions of Section 96 of the Act.

xviii. "Extraordinary General Meeting" - means an Extraordinary General meeting of the Members duly called and constituted and adjourned holding thereof.

xix. "Office" - means the Registered Office for the time being of the Company.

xx. "Ordinary or special resolution" means an ordinary resolution, or as the case may be, special resolution referred to in section 114.

xxi. "The Registrar" - means the Registrar of the Companies.

xxii. "Rules"- means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

xxiii. "Seal" - means the Common Seal for the time being of the Company.

xxiv. "SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

xxv. "SEBI LISTING REGULATIONS" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

xxvi. "SECURITIES" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

xxvii. "Shares" shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

xxviii. "Stock Exchanges" shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

xxix. "Year" means the "Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Companies Act, 2013.

Share capital and variation of rights

4. The Authorized share capital of the Company shall be as provided in the Clause V of Memorandum of Association of the Company with powers to the Company from time to time to increase or decrease its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto such preferential rights, privileges to conditions and to vary, modify, abrogate any such rights, privileges or conditions as may be permitted by law.

5. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

6. Subject to the provisions of the Act, the company may, by ordinary resolution, —

   (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

   (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

   (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person;

7. The Company shall have power to issue preference shares subject to the provisions of the Act, exercise such powers in any manner prescribed by the resolution authorizing the issue of such shares.

8. The Company shall have power to issue equity shares with differential rights as to divided, voting or otherwise subject to the provisions of the Act and rules made there under.

9. The Company in General Meeting may, from time to time, increase the capital by creation of the new shares of such amount as may be deemed expedient.

10. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -
   a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
   b) employees under any scheme of employees' stock option; or
   c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

   (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

11. The company shall have power to reduce the share capital in the manner provided in the Act or any statutory modifications thereof.

12. The new shares shall be issued 'upon such terms and conditions and with such rights and privileges attached thereto as the General Meeting resolving upon the creation thereof shall direct, and if no directions shall be given as the Directors shall determine and in particular such shares may (subject to any special rights for the time being attached to any existing class of shares) be issued with preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

13. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

14. The Company in Board Meeting may before the issue of any new shares, determine that the same or any of them shall be offered either at par or at a premium, to all the holders of any class of shares in proportion, as nearly by circumstances admit to the amount of the capital held by them. Any offer made under this clause, shall be made by notice specifying the number of shares offered and the limited time within which the offer if not accepted, will be deemed to be declined after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear the shares held by persons entitled to any offer of new shares) cannot in the opinion of the Directors by conveniently offered under these Articles.

15. Except so far as otherwise provided by the conditions of issue, or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions therein contained with reference to the payment of calls and installments, lien, forfeiture, transfer and transmission, surrender and otherwise.

16. As regards all allotments made from time to time, and restriction on allotment of shares to the public, the Company shall duly comply with provisions of the Act and rules made thereunder.

17. The Company shall have power to accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up.

18. 18. If by the conditions of issue of any shares, the whole part of the amount of issue price thereof shall be payable by installment, when due be paid to the Company, by the persons, who for the time being shall be registered holder of the share or by his executor or administrator.

19. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.

20. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

21. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

22. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Securities certificate

23. The Company shall issue its securities in dematerialized form.

24. Unless the conditions of issue of any shares or debentures provide otherwise, the Company shall, within (i) 2 (two) Months after the allotment of any of its shares; (ii) within 1 (one) Month from the date of receipt of transfer request from the Depository Participant or, as the case may be, of the intimation of transmission, credit the shares to the holders demat accounts as the case may be in accordance with the provisions of the applicable laws for the time being in force.

25. In case the law permits issue physical issue of shares, every certificate shall be under the Seal of the Company and shall specify the share to which it relates and amount paid thereon, and shall bear signature of at least two directors of the Company, and the secretary of the company or any person authorized by the Board of Directors in this regard.

26. If any certificate be worn out or defaced or if no further space on the back thereof for endorsement of transfer, then upon surrender thereof to the Company, the Company may order the same to be cancelled and may issue a new certificate in lieu thereof without charging any fee thereon. If any certificate be lost or destroyed then upon proof thereof to the satisfaction of the directors and on such indemnity as the directors deem adequate being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate. In case of destruction or loss, the member to whom such new certificate is given shall further bear and pay to the Company such fees as the Board deems fit, not exceeding Rs. 50 per certificate, such as furnishing supporting evidence and indemnity and payment of out of pocket expenses incurred by the Company in investigation by the Company of the evidence of such destruction or loss and to the preparation of such indemnity. Any renewed or duplicate certificates will be marked as such.

27. In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery and certificate for all securities to one of several joint shall be sufficient delivery to all such security holders.

28. The Company shall observe rules and conditions as may be prescribed under the Act and the Companies (Shares and Debentures) Rules, 2014 for renewal of security certificates or issue of duplicate security certificates.

Lien

29. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

30. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

31. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

32. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Transfer of shares

33. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

34. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

35. (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice

36. Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

37. The Board shall have power on giving not less than 7 (seven) days ' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

38. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation

of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

39. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company

Transmission of shares

40. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

41. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

42. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

43. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

44. 44. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

45. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

47. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

48. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

49. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv)The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

50. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Capitalization of profits

51. The company may resolve in general meeting to capitalize free reserves, Securities premium account and capital redemption reserve account for the purpose of issuing of bonus share from time to time.

Buy-back of shares

52. Notwithstanding anything contained in these articles but subject to and in accordance with all applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

53. All general meetings other than annual general meeting shall be called extraordinary general meeting.

54. A general meeting of the Company may be called by giving not less than 21 (Twenty-One) clear days notice in writing or at shorter notice as prescribed under provisions of the Act to all members entitled to receive the same specifying the place, day and hour of the meeting.

55. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

56. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

    (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.

57. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

58. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

59. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

60. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

    (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

    (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

    (iv)Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

61. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

    (a) On a show of hands, every member present in person shall have one vote; and
    (b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

62. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

    (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

64. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

65. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

    (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

66. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48

hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy shall be in the form as prescribed in the rules.

68. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

69. Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall be not less than 3 and not more than 15. However, maximum number can exceed 15 by passing special resolution as required under the Act.

70. The First Director of the Company shall be:

1. Raghvendra Rai

(i) The remuneration of the directors shall, if any in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) In connection with the business of the company.

71. The Board may pay all expenses incurred in getting up and registering the company.

72. The company may exercise the powers conferred on it by the Act and rules made thereunder with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

73. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

74. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

75. The Board shall have power at any time, and from time to time, to appoint a person as an alternate director subject to the provisions of the act and rules made there under.

76. (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

77. (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

78. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

79. The meeting of Board or any of its committee can be held through video conferencing or any other electronic mode. In such cases, the attendance of directors shall be recorded in the mode as prescribed in rules. Physical signature of director in the attendance register will not be required.

80. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

81. In the event of death or voluntary retirement of any of the Directors, the remaining Directors then on Board shall have power to fill up the vacancy. The Director so appointed shall hold the office till the conclusion of the next following Annual General Meeting.

82. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

83. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

84. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, confirm to any regulations that may be imposed on it by the Board.

85. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

86. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

87. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Minutes

88. Every company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered as per the provisions of the Act.

89. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting or each report in such books shall be dated and signed –

(i) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the chairman of the said meeting or the chairman of the next succeeding meeting;

(ii) in the case of minutes of proceedings of a general meeting, by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a director duly authorized by the Board for the purpose.

(iii) In case of every resolution passed by postal ballot, by the chairman of the Board within the aforesaid period of thirty days or in the event of there being no chairman of the Board or the death or inability of that chairman within that period, by a director duly authorized by the Board for the purpose.

Minutes of meetings so kept shall be evidence of the proceedings recorded therein

90. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and
(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Power and Duties of Board of Directors

91. Subject to the provisions of law the Board shall be entitled to exercise all such powers and do all such acts and things, as the Company is authorized to exercise and do except as are not by the act or by these articles required to be exercised by the Company in general meeting or which have been prescribed by the Company in a General Meeting to be exercised only at such meeting, but no such regulation shall invalidate any prior act of the Directors, which would have been valid if such regulation had not been made.

92. Subject to the provisions of this Act and rules made thereunder directors of a company shall have following duties:

i. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, and the community and for the protection of environment.

ii. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment

iii. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

iv. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

v. A director of a company shall not assign his office and any assignment so made shall be void.

vi. A director of the company shall disclose his/her interest in contract or arrangement with the company.

vii. Any other duties as may be prescribed under the act and rules.

Registers

93. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in

its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Power to appoint Managing or whole -time Director(s) or manager

94. Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint any person as its Managing Director, Whole time Director or manager for a term not exceeding five years at a time as they may think fit, and upon such terms and conditions as the Board may think fit and upon such remuneration as may be determined by the Board subject to the provisions of the act and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

The Seal

95. (i) The Board of Director may provide for the safe custody of the seal, if there is any.

(ii) The Director shall provide a Common Seal if there is any for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the seal of the Company is required to be affixed shall, be affixed in the presence of atleast one Director or the Manager or the secretary or such other person as the Board/ Committee of the board may appoint for the purpose, who shall sign every instrument to which the seal is so affixed in his presence;

Provided that the certificate of shares or debenture shall be sealed in the manner and in the manner and in conformity with provisions of the companies (Share Capital and Debentures) Rules, 2014 or any statutory modification thereof for the time being in force.

Dividends & Reserve

96. Subject to applicable Law, the Board may from time to time recommend and pay to the member such interim divided as will appear it to be justified by the profit of the Company and the final divided including interim dividend have to be approved by the general body meeting held thereafter, which shall be payable to such members whose names appear in the members register on the date of declaration at the general body meeting.

97. The general body can’t declare dividend more than recommended by the Board.

98. The Board recommend any dividend, but before that set aside out of the profit of the Company such sum as it think proper as a reserves which shall at the discretion of the Board be applicable for any purpose to which the profit of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the discretion, either be employed in the business of the company or to be invested in such investments (other than shares of the Company) as the Board may from time to time, think fit.

99. The Board may also carry toward any profit which it may think prudent not to divide, with or without setting aside any profit as reserve, but such decision must be supported by cogent reasons recorded in the Boards resolution and must be approved by the members in a following general meeting.

100. Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in cash according to and in proportion to the amounts paid or credited as paid in respect whereof the dividend is to be paid but if and so long as there be any arrears in any of the calls of the shares in the Company, dividends may be declared according to the amount of the shares already paid and the amounts of dividends may be adjusted against arrears of such calls on the shares.

101. Except as otherwise provided in these Articles, all dividends shall be apportioned and paid proportionate to the amount paid or credited as paid on the shares as on the last day of the year but if any share is issued on terms providing that they shall rank for dividend as from a particular date such share shall rank for dividend accordingly

102. The Board may deduct from any dividend payable to any member all sums of money, if any presently payable be him to the Company on account of calls or otherwise in relation to the share of the Company.

103. Every dividend warrant may be sent by post to last registered address of the member entitled thereto and the receipt by the person whose name at the date of declaration of the dividend appears on the Register of Members as the owner of the share or in case of joint holder, the receipt by any one of such holders shall be a good discharge to the Company for all payments made in respect of such dividend.

Unpaid Or Unclaimed Dividend

104. Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “unpaid dividend account”. No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

105. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. “investors education and protection fund”.

Accounts

(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Winding up

106. Subject to the provisions of the Act and rules made there under—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Secrecy

107. Every Director, Manager, Secretary, Trustee for the company its members or debenture holders, members of committee, officer, staff, agent or any person employed or about to be employed in or about the business of the company shall, if so required by the Board before entering upon his duties. sign a declaration pledging himself to observe a strict secrecy in respect of all transactions of the company with its customers and the state of accounts with individuals and in manners relating thereto shall, by such declaration pledge himself not to reveal of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Board or by any General Meetings or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions of these Articles contained.

No member to enter the premises of the company without permission

108. No Shareholder or person (not being a Director) shall be entitled to enter upon the premises or property of the company or to inspect or, examine the same without the permission of the Board to require discovery of any information any detail regarding the trading of the company or any matter which is or may be in the nature of a trade secrecy, mystery of trade, or secret process, or any of the matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the company to communicate.

Indemnity

109. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Omnibus Clause

110. Wherever in the Companies Act, 2013 or any of its successor Act or Rules made there under, it has been provided that the company shall have any right, privilege or authority or that the company could carry out any transaction only if the company is so authorized by its articles, then in that case, the company shall have any right, privilege or authority and to carry out such transactions as have been permitted by the Companies act or rules there under, without there being any specific regulation in that behalf herein provided.

Subscriber Details						
S. No.		**Name, Address, Description and Occupation**	**DIN / PAN / Passport Number**	**Place**	**DSC**	**Dated**
1.		Raghvendra Umesh Rai S/O Shri Umesh Rai Drishyam Films Pvt Ltd 701, Midas Chambers, Off Yash Raj Studios, Fun Republic Lane, Mumbai, Maharashtra, India	AWJPR6682E	Mumbai	Sd/-	31/01/2019
Signed Before Me						
Name		**Address, Description and Occupation**	**DIN / PAN / Passport Number / Membership Number**	**Place**	**DSC**	**Dated**
ACS	Heena Agrawal	73/12, Nanda Nagar, Patnipura Square, Agrawal Bhawan, Indore (M.P.) 452001 Practicing Company Secretary	42736	Indore	Sd/-	31/01/2019

SECTION XIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and the Prospectus which will be filed with the RoC and will also be available on the website of the Company which can be accessed https://identicalbrains.com/ipo.php. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Issue Closing Date (except for such agreements executed after the Bid / Issue Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts for The Issue

1. Issue Agreement dated August 22, 2024 between our Company and the Book Running Lead Manager.

2. Registrar Agreement dated August 22, 2024 between our Company and the Registrar to the Issue.

3. Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.

4. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and the Underwriter.

5. Syndicate Agreement dated [●] entered into between our Company, the Book Running Lead Manager, the Syndicate Member and the Registrar.

6. Banker to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue, Syndicate Member and the Registrar to the Issue.

7. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated February 07, 2024.

8. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated February 08, 2024.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of Incorporation dated February 04, 2019 issued under the name ‘Identical Brains (OPC) Private Limited’ and pursuant to conversion of our company from OPC to Private Limited Company under the name ‘Identical Brains Private Limited’ dated July 08, 2021.

3. Fresh Certificate of Incorporation dated June 18, 2024 issued under the name ‘Identical Brains Studios Private Limited’.

4. Fresh Certificate of Incorporation dated August 12, 2024 issued under the name ‘Identical Brains Studios Limited’.

5. Resolution of the Board of Directors dated August 13, 2024 authorizing the Issue and other related matters.

6. Resolution of the Shareholders dated August 16, 2024 authorizing the Issue and other related matters.

7. Resolution of the Board of Directors of our Company dated August 28, 2024 approving this Draft Red Herring Prospectus.

8. Resolution dated August 23, 2024, passed by Audit Committee approving the key performance indicators of our Company.

9. Certificate dated August 26, 2024, issued by M/s. S C Mehra & Associates LLP, Chartered Accountants certifying the key performance indicators of our Company.

10. Consent dated August 22, 2024 from D&B to rely on and reproduce "*Report on VFX Industry in India*" dated August 20, 2024, in whole or as specifically agreed by D&B, and include their name in this Draft Red Herring Prospectus.

11. Industry report titled "*Report on VFX Industry in India*" dated August 20, 2024, issued by D&B which is a paid report and was commissioned by us pursuant to an engagement letter dated August 17, 2024, exclusively in connection with the Issue.

12. Written consent dated August 21, 2024 from M/s. S C Mehra & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 21, 2024, on our Restated Financial Information; and (ii) their report dated August 21, 2024, on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

13. Copies of Annual reports of our Company for the financial years March 31, 2024, 2023 and 2022.

14. Consent of our Directors, BRLM, Syndicate Members, the Legal Counsel to the Company, Registrar to the Issue, Banker(s) to the Issue, Bankers to our Company, and Company Secretary and Compliance Officer, as referred to in their specific capacities.

15. Due Diligence Certificate dated August 28, 2024 addressed to NSE from the Book Running Lead Manager.

16. Due Diligence Certificate dated [●] addressed to SEBI from the Book Running Lead Manager

17. In-principle listing approvals dated [●] issued by NSE.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Raghvendra Rai
Chairman and Managing Director
DIN: 08351262

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sameer Rai
Executive Director
DIN: 09075325

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Stevina Alban Vaity
Non-Executive Director
DIN: 10520816

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shridhar Sanjay Tari
Independent Director
DIN: 10525833

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rakesh Ramchandra Pawar
Independent Director
DIN: 10528355

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY AND OFFICER OF OUR COMPANY

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Pallavi Ashok Chavan
Company Secretary and Compliance Officer

Date: August 28, 2024
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Milind Bhikajirao More
Chief Financial Officer

Date: August 28, 2024
Place: Mumbai