





DIGIKORE STUDIOS

DIGIKORE STUDIOS LIMITED
CORPORATE IDENTITY NUMBER: U92112PN2000PLC157681

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | TELEPHONE AND EMAIL | WEBSITE |
|---|--|---|--|---|
| C/o Poona Bottling Company Private Limited., 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012. | Lalwani Triumph, Sakore Nagar,Viman Nagar, Pune-411014 | Mrs. Heny Pahuja | Tel. No.: 020-35553555 Email: cs@digikore.com | www.digikorevfx.com |
| OUR PROMOTERS: MR. ABHISHEK RAMESHKUMAR MORE AND M/S. SHREE M P J CEMENT WORKS LLP | | | | |
| DETAILS OF THE OFFER | | | | |
| TYPE | FRESH ISSUE | OFFER FOR SALE | TOTAL OFFER SIZE | ELIGIBILITY AND RESERVATION |
| Fresh Issue & Offer for Sale | 12,60,800 Equity Shares aggregating up to ₹ [●] lakhs | 5,21,600 Equity Shares aggregating up to ₹ [●] lakhs | ₹ [●] lakhs | The Offer 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 details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors see "Offer Structure" on page 238 |
| NAME OF THE SELLING SHAREHOLDER | TYPE | NO OF EQUITY SHARES OFFERED | WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS* | |
| M/s. Shree M P J Cement Works LLP | Promoter | 5,21,600 | 1.63 | |
| *As certified by Sharad Shah & Company, Chartered Accountant vide certificate dated August 23, 2023 | | | | |
| RISKS IN RELATION TO THE FIRST ISSUE | | | | |
| The face value of the Equity Shares is ₹10.00 each. The Offer Price, Floor Price or Price Band as determined by our Company, the Promoter Selling Shareholder in consultation with the Book Running Lead Manager and 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 Offer Price" on page 65, 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 | | | | |
| Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 21 of this Draft Red Herring Prospectus. | | | | |
| ISSUER'S AND SELLING SHAREHOLDER'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 Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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. The Selling Shareholder accepts responsibility for and confirms only the statements expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assumes no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company or the other Selling Shareholder or in relation to our business in this Draft Red Herring Prospectus. | | | | |
| LISTING | | | | |
| The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform (EMERGE) of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-Principle approval letter dated [●] from NSE for using its name in the offer document for listing of our Equity Shares on the EMERGE Platform. For the purpose of this Issue, the Designated Stock Exchange will be the NSE. | | | | |
| BOOK RUNNING LEAD MANAGER | | | | |
| Name and Logo of the Lead Manager | Contact Person | Email and Telephone | | |
|  SARTHI Sarathi Capital Advisors Private Limited | Mr. Taher Engineer | Email Id: compliance@sarthiwm.in Tel No.: +91 22 2652 8671/ 72 | | |
| REGISTRAR TO THE OFFER | | | | |
| Name and Logo of the Registrar | Contact Person | Email and Telephone | | |
|  Bigshare Services Private Limited | Mr. Babu Rapheal C. | Email: ipo@bigshareonline.com Tel No.: +91 22 62638200 | | |
| BID/ISSUE PERIOD | | | | |
| ANCHOR INVESTOR BIDDING DATE | | [●]* | | |
| BID/OFFER OPENS ON | | [●] | | |
| BID/OFFER CLOSES ON | | [●]** | | |

*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The 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/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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DIGIKORE STUDIOS

DIGIKORE STUDIOS LIMITED
 CIN: U92112PN2000PLC157681

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of "Digikore Studios Private Limited". Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to "Digikore Studios Private Limited" vide shareholder's approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune. For further information, please refer chapter "Our History and Certain Other Corporate Matters" on page 106 of this Draft Red Herring Prospectus.

Registered Office: C/o Poona Bottling Company Private Limited, 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012

Corporate Office: Lalwani Tirumph, Sakore Nagar, Viman Nagar, Pune-411014

Tel. No: 020-35553555; E-mail: cs@digikore.com; Website: www.digikorevfx.com

Contact Person: Mrs. Henry Pahuja

THE PROMOTERS OF OUR COMPANY ARE MR. ABHISHEK RAMESHKUMAR MORE AND M/S SHREE M P J CEMENT WORKS LLP

INITIAL PUBLIC OFFERING OF 17,82,400 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING ₹[●] LAKHS ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF 12,60,800 EQUITY SHARES AGGREGATING ₹[●] LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF 5,21,600 EQUITY SHARES ("OFFERED SHARES") AGGREGATING ₹[●] LAKHS, BY M/S SHREE M P J CEMENT WORKS LLP (SELLING SHAREHOLDER), THE ("OFFER FOR SALE"). THIS OFFER INCLUDES A RESERVATION OF [●] EQUITY SHARES AGGREGATING ₹[●] LAKHS (CONSTITUTING [●]% OF ISSUED PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY. THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND SELLING SHAREHOLDER AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND IN [●] MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE WHERE THE REGISTERED OFFICE IS SITUATED EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND WILL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

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/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229(1) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Selling Shareholder in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription 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) ("Net QIB Portion"). Further, 5.00% 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 240.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10.00. The Offer Price, Floor Price or the Price Band 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on Page No. 21 of this Draft Red Herring Prospectus.

ISSUER'S AND SELLING SHAREHOLDERS 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 Offer, which is material in the context of the Offer, 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. The Selling Shareholder accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholder assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholder.

LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on NSE EMERGE. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, our Company has received in-principle approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in this offer document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER TO THE OFFER


Sarthi Capital Advisors Private Limited
 CIN: U65190DL2012PTC238100
 401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai – 400 098
 Tel No.: +91 22 2652 8671/ 72
 Email Id: compliance@sarthiw.in
 Website: www.sarthiw.in
 Contact Person: Mr. Taher Engineer
 SEBI Registration No.: INM000012011

REGISTRAR TO THE OFFER


Bigshare Services Private Limited
 CIN: U99999MH1994PTC076534
 Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093
 Tel. No.: +91 22 6263 8200; Email: ipo@bigshareonline.com
 Investor Grievance E-Mail: investor@bigshareonline.com
 Contact Person: Mr. Babu Raphael C.
 SEBI Registration No.: INR000001385
 Website: www.bigshareonline.com

ISSUE PROGRAMME

| | |
|------------------------------|-------|
| ANCHOR INVESTOR BIDDING DATE | [●]* |
| BID/OFFER OPENS ON | [●]* |
| BID/OFFER 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.

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

In this Draft Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Company Related Terms

| Term | Description |
|--|--|
| Articles or Articles of Association or AOA | The Articles of Association of our Company, as amended from time to time |
| Auditor/Statutory Auditor/Peer Reviewed Auditor | The Auditor of the Company being M/s Sharad Shah & Co., Chartered Accountants, having their Office at 1184/4, Gokul Nagar-B, Fergusson College Road, Dnayneshwar Paduka Chowk, Shivaji Nagar, Pune-411005 |
| Banker to our Company | ICICI Bank Limited |
| “Board” or “Board of Directors” or “our Board” | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof. |
| Company Secretary and Compliance Officer | Mrs. Heny Pahuja |
| Corporate Identification Number (CIN) | U92112PN2000PLC157681 |
| Corporate Office | Lalwani Tirumph, Sakore Nagar, Viman Nagar, Pune-411014 |
| “Digikore Studios Limited, or “Digikore”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”. | Digikore Studios Limited, a public limited company incorporated under the provisions of the Companies Act, 1956. |
| Director(s) | The Director(s) of our Company, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of Face Value of ₹10.00 each |
| Equity Shareholders | Persons/Entities holding equity shares of our Company |
| Group Companies | Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, and disclosed in the chapter titled “Our Group Entities” beginning on page 126 of this Draft Red Herring Prospectus. |
| Independent Director | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to the chapter titled “ <i>Our Management</i> ” beginning on page 110 of this Draft Red Herring Prospectus. |
| Key Management Personnel | Key management personnel of our Company in terms of regulation 2(1)(bb) of the SEBI Regulations, 2018 and section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “Our Management” on page 110 of this Draft Red Herring Prospectus. |
| Managing Director | Managing Director of our Company, Mr. Abhishek Rameshkumar More. For details, please refer to the chapter titled “ <i>Our Management</i> ” beginning on page 110 of this Draft Red Herring Prospectus |
| Market maker | The market maker of our Company being [●] |
| Materiality Policy | The policy adopted by our Board on July 20, 2023 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations 2018. |
| Memorandum of Association or Memorandum or MOA | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination & Remuneration Committee | The Nomination and Remuneration Committee of our Board described in the chapter titled “ <i>Our Management</i> ” beginning on page 110 of this Draft Red Herring Prospectus |

| | |
|--------------------------------------|---|
| “Promoter” or “our Promoters” | Promoters of our company being Mr. Abhishek Rameshkumar More and M/s. Shree M P J Cement Works LLP. |
| Promoter Group | Includes such persons and entities constituting our Promoter group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” beginning on page 122 of this Draft Red Herring Prospectus. |
| Registered Office | The Registered Office of our Company located at C/o Poona Bottling Company Private Limited, 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012 |
| ROC | Registrar of Companies, Pune |
| Selling Shareholder | Selling shareholder being M/s. Shree M P J Cement Works LLP. |
| Stakeholders ‘Relationship Committee | The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” beginning on page 110 of this Draft Red Herring Prospectus |

Offer Related Terms

| Term | Description |
|--|---|
| Allocation / Allocation of Equity Shares | Allocation of Equity Shares of our Company pursuant to Offer of Equity Shares to the successful Applicants. |
| Allot / Allotment / Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Offer of Equity Shares to the successful Bidders |
| Allottee(s) | Successful Applicants to whom Equity Shares of our Company shall have been allotted. |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful Bidder who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange. |
| Allotment Date | Date on which Allotment is made |
| Anchor Investor | 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 the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period. |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bid/Offer Period or Anchor Investor Bidding Date | The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our |

| Term | Description |
|--|---|
| | Company and Selling Shareholder in consultation with the Book Running Lead Manager. |
| Anchor Investor Pay in Date | With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date |
| Anchor Investor Portion | Up to 60.00% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations 2018. 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 accordance with the SEBI ICDR Regulations 2018 |
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus. |
| Applicant Lot | [●] Equity Shares and in multiples thereof. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus. |
| Application Form | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Offer. |
| ASBA/Application Supported by Blocked Amount. | Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Offer containing an authorization to block the application money in a bank account maintained with SCSB. |
| ASBA Account | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount. |
| ASBA Application location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat. |
| ASBA Investor/ASBA applicant | Any prospective investor(s)/applicant(s) in this Offer who apply (ies) through the ASBA process. |
| Banker(s) to the Offer/ Public Offer Bank(s). | The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and in this case, being [●]. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Offer and which is described under chapter titled “Offer Procedure” beginning on page 240 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |

| Term | Description |
|--|--|
| Bid/Offer Closing Date | <p>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 [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Marathi daily newspaper), (Marathi being the regional language of Pune, where our Registered Office is located)</p> <p>Our Company and Selling Shareholder in consultation with the BRLM, may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations 2018.</p> |
| Bid/Offer Opening Date | <p>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 [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Marathi daily newspaper), (Marathi being the regional language of Pune, where our Registered Office is located)</p> |
| Bid/ Offer Period | <p>Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer 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 the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company and Selling Shareholder in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days</p> |
| Bidder/Applicant | <p>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.</p> |
| Bidding | <p>The process of making a Bid</p> |
| Book Building Process/Book Building Method | <p>Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations 2018, in terms of which the Offer is being made.</p> |

| Term | Description |
|--|---|
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Offer, in this case being Sarthi Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker. |
| CAN / Confirmation of Allocation Note | A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Cap Price | The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. |
| Client ID | Client Identification Number of the Beneficiary Account |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branch/Controlling branches of SCBSs | Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchange and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Cut-off Price | The Offer Price, as finalized by our Company and Selling Shareholder in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion, are entitled to Application at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Application at the Cut-off Price. |
| Demographic Details | The demographic details of the Applicants such as their address, PAN, occupation and bank account details and UPI ID. |
| Depositories | National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depository Participant/DP | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Designated Date | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Offer Account or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID, as appropriate, after the Offer is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants. |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Bidder, in relation to the Offer |
| Designated 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 2018. |
| Designated Stock Exchange | National Stock Exchange of India Limited (NSE) (Emerge |

| Term | Description |
|--|---|
| | Platform). |
| Draft Red Herring Prospectus | The Draft Red Herring Prospectus issued in accordance with section 26 and Section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations 2018. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRIs | NRI's from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations. |
| Emerge Platform of NSE/SME Exchange / Stock Exchange / NSE SME | The Emerge Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations 2018 which was approved by SEBI as an NSE Emerge on October 14, 2011. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted |
| Fugitive Economic Offender | An individual who has committed the specified offence(s) under the Fugitive Economic Offenders Act, 2018 involving an amount of one hundred crore rupees or more and has absconded from India or refused to come back to India to avoid or face criminal prosecution in India. |
| General Information Document | The General Information Document for investing in public issues prepared and issued in accordance with the circular CIR/CFD/DIL/12/2013 dated October 23, 2013, and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 notified by SEBI suitably modified and included in "Offer Procedure" beginning on page 240 of this Draft Red Herring Prospectus. |
| ISIN | International Securities Identification Number is INE0QJ901011 |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited. |
| KPI | Key Performance Indicator |
| Market Making Agreement | Market Making Agreement dated [●], between our Company, Selling Shareholder, BRLM and Market Maker. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being [●], who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market Maker Reservation Portion | The Reserved Portion of [●] Equity Shares of Face Value of ₹10.00 each fully paid for cash at a price of [●] per Equity Share |

| Term | Description |
|---|--|
| | aggregating ₹[●] for the Market Maker in this Offer. |
| MSME | Micro Small and Medium Enterprises |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| NIF | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India. |
| Net Offer | The Offer, excluding the Market Maker Reservation Portion, of [●] Equity Shares of Face Value of ₹10.00 each fully paid for cash at a price of ₹[●] Equity Share aggregating ₹[●] Lakhs by our Company. |
| Net Proceeds | The Offer Proceeds, less the Offer related expenses, received by the Company. For further information about use of the Offer Proceeds and the Offer expenses, please refer to the chapter titled "Objects of the Offer" beginning on page 60 of this Draft Red Herring Prospectus. |
| Non-Institutional Investors | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹2,00,000. |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs, including overseas trusts in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer. |
| Offer/ Offer Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO | Public Offer of 17,82,400 Equity Shares of Face Value of ₹10.00 each fully paid of Digikore Studios Limited for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating ₹ [●] Lakhs. |
| Offer Agreement | The agreement dated August 21, 2023, between our Company, Selling Shareholder and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer. |
| Offer Price | The price at which the Equity Shares are being offered by our Company under this Draft Red Herring Prospectus being ₹[●] per Equity Share of face value of ₹10.00 each fully paid. |
| Offer Proceeds | Proceeds from the fresh Offer that will be available to our Company, being ₹[●] Lakhs. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Person/Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Public Offer Account | Account opened with the Banker to the Offer/Public Offer Bank i.e. [●] by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Public Offer Account Agreement | Agreement to be entered into by our Company, Selling Shareholder, the Registrar to the Offer, the Book Running Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts. |

| Term | Description |
|---|--|
| Qualified Institutional Buyers or QIBs | QIBs, as defined in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund and alternative investment fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, NIF, 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 systemically important non-banking financial companies. |
| QIB Portion | The portion of the Offer being not more than [●] % of the Offer or [●] 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 Applications being received at or above the Offer Price * The Company may, in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR regulations |
| Red Herring Prospectus | The Red Herring Prospectus to be filed with ROC containing, interalia, the Offer opening and closing dates and other information. |
| Registrar Agreement | The agreement dated August 21, 2023 entered between our Company, Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer. |
| Registrar and Share Transfer Agents or RTAs | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Refund Account (s) | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Offer Account in case listing of the Equity Shares does not occur. |
| Refund Bank(s) / Refund Banker(s) | Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●]. |
| Registrar /Registrar to the Offer | Registrar to the Offer, in this case being Bigshare Services Private Limited having office at Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400093 |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Individual Investor | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to ₹2,00,000. |
| Revision Form | The form used by the Bidder, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Bidder and Non- |

| Term | Description |
|--|--|
| | Institutional Bidder are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Offer Period and withdraw their Application Forms until Offer Closing Date |
| SCSB/ Self Certified Syndicate Banker. | Shall mean a Banker to an Offer registered under SEBI (Bankers to an Offer) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time. |
| Sponsor Bank | Shall mean a Banker to the Offer registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time |
| Stock Exchange | EMERGE platform of National Stock Exchange of India Limited (NSEEMERGE) |
| Syndicate Member | Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter |
| Underwriter | [●] |
| Underwriting Agreement | The agreement dated [●] entered into between the Underwriter, Company and Selling Shareholder. |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI |
| UPI Mechanism | The bidding mechanism that may be used by a RII to make an application in the Offer in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018. |
| Unified Payments Interface | It is an instant payment system developed by National Payments Corporation of India which allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's Bank account. |
| UPI ID | ID created on Unified Payment Interface. |
| UPI Mandate Request | A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. |
| UPI PIN | Password to authenticate transaction through UPI mechanism. |
| Wilful Defaulter | As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. |
| Working Day | Unless the context otherwise requires: Working Days shall be as defined under Regulation 2(1)(mmm) of SEBI (ICDR), 2018 and all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated |

| Term | Description |
|------|-------------------|
| | January 21, 2016. |

Industry Related Terms

| Term | Description |
|----------|--|
| AVGC | Animation, Visual effects, Gaming and Comics |
| AWS | Amazon Work Station |
| DCI | Digital Cinema Initiative |
| D-cinema | Digital Cinema Initiative Complaint |
| DI | Digital Intermediate |
| HD | High Definition |
| IBDF | Indian Broadcasting and Digital Foundation |
| IBF | Indian Broadcasting Foundation |
| IPTV | Internet Protocol Television |
| LED | Light Emitting Diode |
| PB | Petabytes |
| PC | Personal Computer |
| TPN | Trusted Partner Network |
| VFX | Visual Effects |

Conventional and General Terms/ Abbreviations

| Term | Description |
|---------------|---|
| A/C | Account |
| Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| AGM | Annual General Meeting |
| Articles | Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies' law or of this Act |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India. |
| A.Y. | Assessment Year |
| ASBA | Applications Supported by Blocked Amount |
| B. A | Bachelor of Arts |
| B. Com | Bachelor's Degree in Commerce |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CBFC | Central Board of Film Certification |
| CDSL | Central Depository Services (India) Limited |
| CESTAT | Customs, Excise and Service Tax Appellate Tribunal |
| CENVAT | Central Value Added Tax |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| COVID- 19 | Novel Coronavirus, 2019 |
| CS | Company Secretary |
| Depositories | NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and |

| Term | Description |
|---|---|
| | Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Director Identification Number |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity |
| DB | Designated Branch |
| E-tax | Entertainment Tax |
| EBIDTA | Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items. |
| ECS | Electronic Clearing Services |
| EGM | Extraordinary General Meeting |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| EPS | Earnings per Share |
| FDI | Foreign Direct Investment |
| FCNR Account | Foreign Currency Non-Resident Account |
| FEMA | Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under. |
| FEMA Regulations | FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto. |
| FII(s) | Foreign Institutional Investors |
| FIs | Financial Institutions |
| FIPB | The Foreign Investment Promotion Board, Ministry of Finance, Government of India. |
| FV | Face Value |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000. |
| F. Y | Financial Year |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GOI | Government of India. |
| GST | Goods & Service Tax |
| HNI | High Net Worth Individual |
| HUF | Hindu Undivided Family |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time. |
| Indian GAAP | Generally accepted accounting principles in India. |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFRS | International financial reporting standards. |
| Ind AS | Indian Accounting Standards |
| IPC | Indian Penal Code |
| IPO | Initial Public Offering |
| IPR | Intellectual Property Right |
| IT | Information Technology |
| IT Act | The Income-tax Act, 1961 as amended from time to time except as stated otherwise. |
| IT Rules | The Income-tax Rules, 1962, as amended from time to time |
| INR | Indian National Rupee |
| JV | Joint venture |
| KMP | The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled "Our Management" beginning on page of 110 this Draft Red Herring Prospectus. |
| Ltd. | Limited |
| M&E | Indian Media & Entertainment |
| MBA | Master in Business Administration |

| Term | Description |
|------------------|---|
| M.Com | Master Degree in Commerce |
| MD | Managing Director |
| MOU | Memorandum of Understanding |
| MNC | Multinational corporation |
| N/A or NA | Not Applicable |
| NAV | Net Asset Value |
| NDFC | National Film Development Corporation of India |
| NIFTY | National Stock Exchange Sensitive Index |
| NOC | Network Operation Centre |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| Net Worth | The aggregate of the paid-up share capital, and all reserves created out of the profit [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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. |
| NOC | No Objection Certificate |
| NPV | Net Present Value |
| NR | Non-Resident |
| NRE Account | Non-Resident External Account |
| NRI | Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. |
| NRO Account | Non-Resident Ordinary Account |
| NSE | National Stock Exchange of India Limited |
| NSDL | National Securities Depository Limited. |
| p.a. | Per Annum |
| PAL | Phase Alternate Line (Video Format used in India) |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| Perpetual Rights | Titles over which we have complete ownership rights |
| PMLA | Prevention of Money Laundering Act |
| PMI | Purchasing Managers Index |
| PPP | Purchasing Power Parity |
| PML Rules | Prevention of Money Laundering Rules |
| Pvt. | Private |
| PBT | Profit Before Tax |
| P/E Ratio | Price Earnings Ratio |
| POA | Power of Attorney |
| PIO | Persons of Indian Origin |
| QIB | Qualified Institutional Buyer |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| Ron | Return on Net Worth. |
| Rs. / INR | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SD | Standard Definition |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCR | Securities Contracts (Regulation) Rules, 1957 |
| SCSB | Self-Certified Syndicate Bank |
| SEBI | Securities and Exchange Board of India. |

| Term | Description |
|---|---|
| SENSEX | Bombay Stock Exchange Sensitive Index |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Depository Regulations | Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. |
| SEBI (ICDR) Regulations/ Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| SEBI Insider Trading Regulations | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations /Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| Sec. | Section |
| SME | Small and Medium Enterprise |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time. |
| SSI | Small Scale Industry |
| SSI Undertaking | Small Scale Industrial Undertaking |
| SRB | Self-Regulatory Body |
| Stock Exchange | National Stock Exchange of India Limited |
| Sq. | Square |
| Sq. Mtr | Square Meter |
| TAN | Tax Deduction Account Number |
| TRS | Transaction Registration Slip |
| TIN | Taxpayers Identification Number |
| TNW | Total Net Worth |
| TV | Television |
| u/s | Under Section |
| UIN | Unique Identification Number |
| US/ U.S. / USA | United States of America |
| USD or US\$ | United States Dollar |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| UPI | Unified Payment Interface |
| UOI | Union of India |
| Venture Capital Fund(s)/ VCF(s) | Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time. |
| VR | Virtual Reality |
| WDV | Written Down Value |
| w.e.f. | With effect from |
| YoY | Year over Year |

Notwithstanding the following:

- (i) In the section titled ‘Main Provisions of the Articles of Association’ beginning on page 262 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled ‘Financial Statements’ beginning on page 131 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled “Statement of Possible Tax Benefits” beginning on page 73 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 131 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations 2018.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months’ period ended 31st March of that year. 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 decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US 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. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. 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.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations 2018, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 131 of this Draft Red Herring Prospectus.

Currency of Presentation

In this Draft Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Cr’, ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

Industry & Market Data

Unless otherwise stated, Industry & Market data used throughout this Draft Red Herring Prospectus have been obtained from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Department of Industrial Policy & Promotion, India Brand Equity Foundation (IBEF), International Monetary Fund (IMF). Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

- Failure, defects, delays and other problems involving the technology systems and infrastructure on which we rely for providing our services and solutions to our clients;
- loss of consumers;
- Failure to comply with quality standards may lead to cancellation of existing and future orders;
- Uncertainty in relation to effect of any pandemic on our business and operations;
- Our dependence on our key personnel, including our Directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21 and 167 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither we, our Directors, Underwriter, Merchant Banker 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 requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

OVERVIEW OF THE INDUSTRY

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. The increasing availability of fast and cheap internet, rising incomes, and increasing purchases of consumer durables have significantly aided the industry. India's media and entertainment industry are unique as compared to other markets. The industry is well known for its extremely high volumes and rising Average Revenue Per User (ARPU).

This significantly aided the country's industry and made India leading in terms of digital adoption and provided companies with uninterrupted rich data to understand their customers better. India has also experienced growing opportunities in the VFX sector as the focus shifted globally to India as a preferred content creator.

India's Media and entertainment Industry is expected to reach Rs. 4,30,401 crores (US\$ 53.99 billion) by 2026. Advertising revenue in India is projected to reach Rs. 394 billion (US\$ 5.42 billion) by 2024. Television would account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and the OTT and gaming industries (8%).

OVERVIEW OF THE BUSINESS

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of "Digikore Studios Private Limited". Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to "Digikore Studios Private Limited" vide shareholder's approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune.

Digikore serves as a hub for top-tier industry talent. Having production facility in India, we specialize in delivering Visual Effects (VFX) for a diverse range of projects such as Films, Web Series, TV Series, Documentaries, and Commercials, all while maintaining a strong emphasis on cost-effectiveness. Our reputation as a world-class VFX studio is a result of our harmonious blend of imaginative creativity and cutting-edge technology.

Digikore was established by Mr. Abhishek Rameshkumar More in the year 2000. In its initial years, Digikore made its mark in the realm of Animation and Visual Effects (VFX). Worked with extensive portfolio of many Films and TV Series, notable works include projects like "Thor: Love and Thunder," "Black Panther: Wakanda Forever," "Glass Onion: A Knives Out Mystery," "Deadpool," "Star Trek," "Jumanji," "Stranger Things," "The Last Ship," "Titanic" "Gosht Rider: Spirit of Vengeance" "Transformer: Age of Extinction" "Crouching Tiger, Hidden Dragon: Sword of Destiny" and many more prestigious productions.

As a TPN-audited VFX studio, we offer a comprehensive suite of visual effects services, overseen by our experienced production team. Our artists harness the power of the latest software, hardware, and proprietary tools to produce exceptional VFX for some of the most prominent Films, Web Series, and TV Series.

OUR PROMOTERS

Our Company is promoted by Mr. Abhishek Rameshkumar More and M/s. Shree M P J Cement Works LLP.

OFFER SIZE

The following table summarizes the details of the Offer size:

| | |
|------------------------|--|
| Offer of Equity Shares | 17,82,400 Equity Shares aggregating up to ₹[●] lakhs |
| <i>Of which:</i> | |
| Fresh Issue | 12,60,800 Equity Shares aggregating up to ₹[●] lakhs |

| | |
|----------------|--|
| Offer for Sale | 5,21,600 Equity Shares aggregating up to ₹[●] lakhs by the Selling Shareholder |
| Market Maker | [●] Equity Shares aggregating up to ₹[●] lakhs |

OBJECTS OF THE OFFER

We intend to utilize the proceeds of the Fresh Offer, in the manner set forth below:

(₹ in lakhs)

| Sr. No. | Particulars | Amount |
|--------------|-------------------------------------|------------|
| 1. | Funding Working Capital Requirement | [●] |
| 2. | General corporate purpose | [●] |
| 3. | *Offer Expenses | [●] |
| Total | | [●] |

*As on August 23, 2023, our Company has incurred a sum of ₹5.72 lakhs towards offer expenses.

SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

The table below presents the current shareholding pattern of our Promoters and Promoter Group (Individuals and company):

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|-----------------------|----------------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| Promoters | | | | | |
| 1) | M/s. Shree MP J Cement Works LLP | 31,39,000 | 61.89% | 26,17,400 | 41.33% |
| 2) | Mr. Abhishek Rameshkumar More | 7,90,500 | 15.59% | 7,90,500 | 12.48% |
| Total (A) | | 39,29,500 | 77.47% | 34,07,900 | 53.81% |
| Promoter Group | | | | | |
| 1) | Mr. Rohit Rameshkumar More | 7,90,500 | 15.59% | 7,90,500 | 12.48% |
| 2) | Mr. Rameshkumar More | 4,000 | 0.08% | 4,000 | 0.06% |
| 3) | Mrs. Prapti Abhishek More | 4,000 | 0.08% | 4,000 | 0.06% |
| 4) | Mrs. Jhumka Rohit More | 4,000 | 0.08% | 4,000 | 0.06% |
| 5) | M/s. Digikore Design LLP | 4,000 | 0.08% | 4,000 | 0.06% |
| Total (B) | | 8,06,500 | 15.90% | 8,06,500 | 12.74% |
| Total (A+B) | | 47,36,000 | 93.37% | 42,14,400 | 66.55% |

SUMMARY OF FINANCIAL INFORMATION

The following table represents on the basis of Restated Standalone Financial Information:

(₹ in lakhs)

| Particulars | As on June 30, 2023 | March 31, 2023 | March 31, 2022* | March 31, 2021 |
|--|---------------------|----------------|-----------------|----------------|
| Share Capital | 118.40 | 118.40 | 118.40 | 118.40 |
| Net Worth | 870.59 | 590.94 | 153.48 | 106.94 |
| Total Revenue | 1182.99 | 3555.83 | 2488.39 | 615.53 |
| Profit After Tax | 279.65 | 437.46 | 46.54 | 1.80 |
| Earnings per share (in Rs.) | 23.62 | 36.95 | 3.93 | 0.15 |
| NAV per equity (in Rs.) | 73.53 | 49.91 | 12.96 | 9.03 |
| Total Borrowing (as per Balance Sheet) | 912.25 | 607.61 | 349.46 | 498.77 |

*Revenue consist of Rs.1152.19 lakhs through trading of goods

The following table represents on the basis of Restated consolidated Financial Information:

(₹ in lakhs)

| Particulars | June 30, 2023 | March 31, 2023 | March 31, 2022 |
|------------------|---------------|----------------|----------------|
| Share Capital | 118.40 | 118.40 | 118.40 |
| Net Worth | 813.30 | 542.66 | 153.48 |
| Total Revenue | 1186.49 | 3692.38 | 2488.39 |
| Profit After Tax | 270.89 | 389.17 | 46.54 |

| Particulars | June 30, 2023 | March 31, 2023 | March 31, 2022 |
|--|------------------|-------------------|-------------------|
| Earnings per share (in Rs.) | 22.88 | 32.87 | 3.93 |
| NAV per equity (in Rs.) | 68.69 | 45.83 | 12.96 |
| Total Borrowing (as per Balance Sheet) | 912.25 | 608.55 | 349.46 |

AUDITOR QUALIFICATIONS

There is no Auditor's qualification in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS

The brief details of the outstanding litigations are as follows:

(₹ in lakhs)

| Sr. No. | Types of Proceedings | No. of Cases | Amount to the extent quantifiable |
|--|-------------------------------|--------------|-----------------------------------|
| LITIGATIONS INVOLVING OUR COMPANY | | | |
| <u>Litigation matters against our Company</u> | | | |
| 1) | Criminal Matter | - | - |
| 2) | Civil Matter | - | - |
| 3) | Tax matters | 09 | 82.56 |
| 4) | TDS Matter | - | - |
| 5) | Outstanding Tax Demand matter | - | - |
| <u>Litigation matters filed by our Company</u> | | | |
| 1) | Criminal Matter | - | - |
| 2) | Civil Matter | 01 | 01.50 |
| 3) | Tax matters | 01 | 26.18 |
| LITIGATION INVOLVING OUR PROMOTER | | | |
| <u>Cases Filed by Promoter:</u> | | | |
| | Nil | - | - |
| <u>Cases Filed against Our Promoter</u> | | | |
| 1) | Civil Matter | 02 | unquantifiable |
| 2) | Criminal Matter | - | - |
| 3) | Tax Matter | - | - |
| 4) | TDS matter | - | - |
| 5) | Outstanding Tax Demand matter | 01 | 1.47 |
| LITIGATION INVOLVING OUR DIRECTORS | | | |
| <u>Litigation matters against our Directors:</u> | | | |
| | Nil | - | - |
| LITIGATION INVOLVING OUR SUBSIDIARIES | | | |
| | Nil | - | - |
| LITIGATION INVOLVING OUR GROUP ENTITIES | | | |
| <u>Litigation matters filed by our Group Entities:</u> | | | |
| | Nil | - | - |
| <u>Litigation matters against our Group Entities:</u> | | | |
| 1) | Civil Matter | 01 | 27.00 |
| 2) | Criminal Matter | - | - |
| 3) | Tax Matter | 01 | 32.20 |
| 4) | TDS matter | - | - |
| 5) | Outstanding Tax Demand matter | 01 | 7.72 |

For details, kindly refer chapter titled "Outstanding Litigations and Material Developments" beginning on page 213 of this Draft Red Herring Prospectus.

RISK FACTORS

Please refer section titled "Risk Factors" on page no 21 of this Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities of the Company for period ended June 30, 2023 and for financial year ending March 31, 2023, 2022 and 2021:

(Rs. in lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---------------------|------------------|----------------|------|------|
| | | 2023 | 2022 | 2021 |
| GST demand * | 56.38 | 56.38 | - | - |
| Income tax demand** | 26.18 | 26.18 | - | - |
| Total | 82.56 | 82.56 | - | - |

Kindly refer to Note 32-Contingent Liabilities of the chapter titled “Restated Financial Information of the Company” on page 131 of this Draft Red Herring Prospectus

SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions based on restated standalone financial statement entered into by our Company for the period ended June 30, 2023 and for financial year ending March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|------------------|----------------|-------|--------|
| | | 2023 | 2022 | 2021 |
| The transactions with related parties during the year and their outstanding balances are as follows: | | | | |
| Salary | | | | |
| Abhishek More | 17.94 | 58.44 | 34.27 | 23.77 |
| Professional fees | | | | |
| Rohit More | 8.10 | 34.56 | 17.28 | - |
| Ramesh More | 4.05 | 16.63 | - | - |
| Prapti More | 3.65 | 14.59 | - | - |
| Purchase of goods/services | | | | |
| Growel Softech Private Limited | 25.50 | 122.18 | 32.97 | - |
| Loans taken | | | | |
| Rohit More | 4.86 | 0.52 | 3.25 | 3.87 |
| Abhishek More | 3.91 | 0.95 | 10.02 | 119.00 |
| Growel Softech Private Limited | 4.82 | - | - | 1.14 |
| Loan Given | | | | |
| Abhishek More | - | - | 10.02 | - |
| Security deposit paid | | | | |
| Rohit More | 35.00 | 35.00 | - | - |
| Professional fees payable | | | | |
| Rohit More | 5.40 | 1.35 | 2.16 | - |
| Ramesh More | 1.35 | - | - | - |
| Share capital | | | | |
| Rohit More | 19.91 | 19.91 | 19.91 | 19.91 |
| Abhishek More | 19.91 | 19.91 | 19.91 | 19.91 |
| Shri MPJ cement works LLP | 78.48 | 78.48 | 78.48 | 78.48 |
| Security deposit | | | | |
| Rohit More | - | 35.00 | - | - |
| Loan payable | | | | |
| Rohit More | 5.38 | 0.52 | - | - |
| Growel Softech Private Limited | 26.61 | 21.79 | 36.23 | 20.88 |
| Abhishek More | - | 0.95 | - | 119.00 |

| | | | | |
|------------------------------------|-------|-------|-------|-------|
| Ramesh More | - | - | 0.43 | 1.14 |
| Jhumka More | - | - | 1.14 | 1.14 |
| Waluj Beverages LLP | - | - | 49.89 | 49.89 |
| | | | | |
| Loan receivable | | | | |
| Conchact Mobile LLP | 11.58 | 11.58 | 11.58 | 6.58 |
| Digikore Design Ltd. | - | - | 0.07 | 0.07 |
| Digikore Travels LLP | 1.52 | 1.52 | 1.52 | 1.52 |
| Poona Bottling Co. Private Limited | 6.30 | 6.30 | 6.30 | 6.30 |
| Rohit More | - | - | 6.53 | 6.53 |
| Abhishek More | 0.07 | - | 10.02 | - |

For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 129 of this Draft Red Herring Prospectus.

DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the Promoters, members of the Promoter group, the directors of our Company and their relatives 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 the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTERS

The weighted average cost of acquisition of Equity shares by our Promoters in the last one year which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

| Name of the Promoters | No. of shares | Weighted Average cost of Acquisition (In Rs.) |
|-----------------------------------|----------------------|--|
| Mr. Abhishek Rameshkumar More | 5,91,375 | Nil |
| M/s. Shree M P J Cement Works LLP | 23,54,250 | Nil |

AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTERS

The average cost of acquisition of Equity shares by our Promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-----------------------------------|---------------------------|---|
| Mr. Abhishek Rameshkumar More | 7,90,500 | 0.02 |
| M/s. Shree M P J Cement Works LLP | 31,39,000 | 1.63 |

As certified by Sharad Shah & Company, Chartered Accountant vide their certificate dated August 23, 2023

PRE-IPO PLACEMENT

Our Company does not contemplate any pre-issuance or pre-placement of equity shares from the date of this Draft Red Herring Prospectus till the listing of the equity shares.

EQUITY SHARES ISSUED IN CONSIDERATION OTHER THAN CASH

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 50 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.

SPLIT OR CONSOLIDATION OF EQUITY SHARES

There has been no split or consolidation of equity shares in our Company in the last one year from the date of this Draft Red Herring Prospectus.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the 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 below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment.

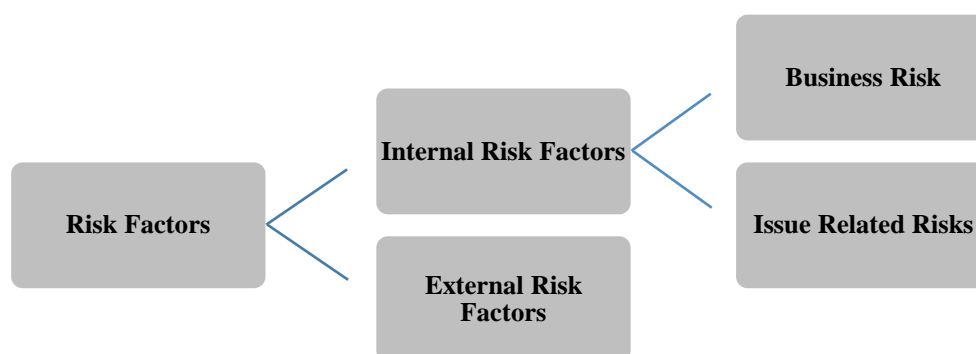
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 84, “Our Industry” beginning on page 75 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 167

The following factors have been considered for determining the materiality of Risk Factors:

- *Some risks may not be material individually but may be found material collectively;*
- *Some risks may have material impact qualitatively instead of quantitatively;*
- *Some risks may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:



INTERNAL RISK FACTOR

Business Risk/Company Specific Risk:

- 1. Major portion of our revenue generated from operation are through exports, any change in the government laws or policies may affect our business.***

Major portion of our revenue generated from operation are through exports i.e. 98.34%, 51.58% and 99.59% for financial year 2022-23, 2021-22 and 2020-21 as per Restated Standalone Financials statement. Our profitability and operational stability are subject to the risk factors associated with the potential changes in foreign government policies. These policy changes can range from alterations in taxation, trade regulations and other regulatory frameworks that govern our business activities in foreign markets. These regulations can be amended/changed on a short notice at the discretion of the Government where our business operates. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations which results in prejudicially affecting our profitability to generate revenue from operations.

- 2. Our top 10 and top 5 customers contribute majority of our revenues from operations for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 customers contributed 61.76%, 87.97% and 90.34% of our revenues for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively, whereas, our top five customers contribute 45.39%, 75.28% and 75.63% of our revenues during the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Any decline in our services and any change in the demand for our services by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

- 3. Our Company operates in the constantly evolving VFX market, which is subject to rapidly changing client's behaviour and tastes, and depends on audience acceptance of content for which the Company provides VFX services and the long-term popularity of the brands.***

Our Company operates in the entertainment industry which involves a substantial degree of risk, including as a result of rapidly evolving changes in technology, digital content platforms and consumer tastes. The Company's business requires it to quickly react to changing technologies, market dynamics and client's 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. The Company's success at winning opportunities to provide VFX services for content producers depends on our ability to effectively adapt its services to the changes content producers develop in response to evolving consumer preferences. If we fail to keep pace with its 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.

- 4. Our ability to remain competitive may be adversely affected by rapid technological changes and our ability to access such technology.***

The Indian media and entertainment industry continues to undergo significant technological developments. We may not be successful in adopting new visual effect methods or may lose market share to our competitors if the methods that we adopt are not as technologically sound, user-friendly, widely accessible or appealing to consumers as those adopted by our competitors. Further, advances in technologies or alternative methods or changes in consumer behaviour driven by these or other technologies, could have a negative effect on our business. Other competitor companies may have greater financial strength to adopt new growing technological trends ahead of us. In order to remain competitive, we could be required to upgrade our technology, and any

failure to do so could have a material adverse effect on our business, prospects, financial condition and results of operations.

5. Intensified competition may restrict our ability to access content and/or talent.

We face intense competition from both Indian and foreign competitors, many of which are substantially larger and have greater financial resources than us. Growth in entertainment industry in recent years has attracted new industry participants and competitors. The entry of such competitors may change the media and entertainment industry in ways that may not favour us. Domestic competitors of a scale similar to or greater than our own may impact our ability to attract creative and technical talent and other scarce resources including content, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

6. We have substantial working capital requirements and may require additional financing to meet working capital requirements in the future. A failure in obtaining such additional financing at all or on terms favourable to us could have an adverse effect on our results of operations and financial condition.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards employee cost. Our business requires a significant amount of working capital for smooth functioning. For instance, for the Financial Year March 31, 2021 and March 31, 2023, our working capital requirements were ₹213.44 Lakhs and ₹389.61 Lakhs respectively. It is to note in the Financial Year March 31, 2022, Our Company had no Working Capital requirement. For the above mentioned years, we meet our requirement for working capital majorly through banking facilities, Loan or fresh infusion of funds by way of issue of shares or internal accruals. In future, our inability, if any to meet our working capital requirements through banking arrangements can adversely impact our business operations and financial position

For further details regarding working capital requirement, please refer to the section Objects of the Offer beginning on page 60 of this Draft Red Herring Prospectus.

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

Our Registered Office is presently located at C/o Poona Bottling Company Private Limited, 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012, the premises where our registered office is located is not owned by our Company. Further, Our Corporate Office is presently located at Lalwani Tirumph, Sakore Nagar, Viman Nagar, Pune-411014, the premises where our corporate office is located is not owned by our Company.

There can be no assurance that the term of the agreements will be renewed on commercially acceptable terms and in the event the Lessor/Licensor terminates or does not renew the agreements, we are required to vacate the said premises where operational activities are carried out. In such a situation, we have to identify and take alternative premises and enter into fresh lease or leave and license agreement at less favorable terms and conditions to shift our registered office and operations. Such a situation could result in time overruns and may adversely affect our operations temporarily.

8. Our Company, its Promoters and Directors are involved in certain legal proceeding(s). Any adverse decision in such proceeding(s) may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.

Our Company, its Promoters and Directors are involved in certain legal proceedings and claims in relation to certain civil matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.

A summarized classification of all the legal and other proceedings are as follows:

(₹ in lakhs)

| Sr. No. | Types of Proceedings | No. of Cases | Amount to the extent quantifiable |
|---|----------------------|--------------|-----------------------------------|
| LITIGATIONS INVOLVING OUR COMPANY | | | |
| <u>Litigation matters against our Company</u> | | | |
| 6) | Criminal Matter | - | - |
| 7) | Civil Matter | - | - |

| | | | |
|--|-------------------------------|----|----------------|
| 8) | Tax matters | 09 | 82.56 |
| 9) | TDS Matter | - | - |
| 10) | Outstanding Tax Demand matter | - | - |
| <u>Litigation matters filed by our Company</u> | | | |
| 4) | Criminal Matter | - | - |
| 5) | Civil Matter | 01 | 01.50 |
| 6) | Tax matters | 01 | 26.18 |
| LITIGATION INVOLVING OUR PROMOTER | | | |
| <u>Cases Filed by Promoter:</u> | | | |
| | Nil | - | - |
| <u>Cases Filed against Our Promoter</u> | | | |
| 6) | Civil Matter | 02 | unquantifiable |
| 7) | Criminal Matter | - | - |
| 8) | Tax Matter | - | - |
| 9) | TDS matter | - | - |
| 10) | Outstanding Tax Demand matter | 01 | 1.47 |
| LITIGATION INVOLVING OUR DIRECTORS | | | |
| <u>Litigation matters against our Directors:</u> | | | |
| | Nil | - | - |
| LITIGATION INVOLVING OUR SUBSIDIARIES | | | |
| | Nil | - | - |
| LITIGATION INVOLVING OUR GROUP ENTITIES | | | |
| <u>Litigation matters filed by our Group Entities:</u> | | | |
| | Nil | - | - |
| <u>Litigation matters against our Group Entities:</u> | | | |
| 2) | Civil Matter | 01 | 27.00 |
| 6) | Criminal Matter | - | - |
| 7) | Tax Matter | 01 | 32.20 |
| 8) | TDS matter | - | - |
| 9) | Outstanding Tax Demand matter | 01 | 7.72 |

For details please see “Outstanding Litigation and Material Development” on page 213 of this Draft Red Herring Prospectus.

9. Our Auditor has not considered the financials for the audit report year ending on March 31, 2023 & March 31, 2022 for one of our foreign subsidiaries.

We have one wholly owned subsidiary i.e Digikore Visual Effects Inc. having its registered office at Canada for which our auditor has not considered the financials for year ended on March 31, 2023 and March 31, 2022, however for the preparation of the Restated Financial Statements we have taken the financials of the subsidiary company as required as per the provision of the SEBI ICDR Regulations, 2018.

10. We have one wholly owned foreign subsidiary Company named Digikore Visual Effects Inc., Canada, for which no prior approval of Reserve Bank of India (“RBI”) for making Overseas Direct Investment (“ODI”) is taken.

We have one wholly owned foreign subsidiary named Digikore Visual Effects Inc., having registered office in Canada. The shares of the said company were inadvertently issued in the name of Mr. Abhishek Rameshkumar More, however, the shares were then transferred to us and the revised share certificate were issued in the name of Digikore Studios Limited with effect from October 19, 2021. Further, the company has failed to make an application to RBI for ODI for the said transaction at that time.

The company has discussed with the Banker and to rectify that the Company has made the application along with the supporting documents.

11. Success is dependent on our people. Our ability to attract and maintain people qualified technical personnel, will affect the results of operations and financial condition.

As on July 31, 2023 we have 357 employees. We are dependent on significant number of our employees who are skilled and due to the limited pool of available skilled personnel, we face strong competition to recruit and

retain skilled and professionally qualified staff. Our continued future success also depends upon our ability to recruit and retain a large group of experienced professionals and staff. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of experienced personnel could have a material adverse effect on our operations and profitability. Our ability to retain experienced staff members as well as senior management will in part depend on our maintaining appropriate staff remuneration and incentive schemes in accordance with the prevailing private sector industry standards. We cannot assure you that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees.

12. In past our Company has made delay in filing of Statutory Returns and delayed in dispensing of statutory fees.

In past, our Company has delayed to file GST Returns on time. Following is the list of delayed returns:

Filings of GSTR-1

| Sr. No. | Financial Year | Return Type | Tax Period | Due Date | Date of Filing | Delay Days |
|---------|----------------|-------------|------------|------------|----------------|------------|
| 1. | 2020-2021 | GSTR-1 | April | 11/05/2020 | 28/10/2020 | 170 |
| 2. | 2020-2021 | GSTR-1 | May | 11/06/2020 | 28/10/2020 | 139 |
| 3. | 2020-2021 | GSTR-1 | June | 11/07/2020 | 03/12/2020 | 145 |
| 4. | 2020-2021 | GSTR-1 | July | 11/08/2020 | 03/12/2020 | 114 |
| 5. | 2020-2021 | GSTR-1 | August | 11/09/2020 | 03/12/2020 | 83 |
| 6. | 2020-2021 | GSTR-1 | September | 11/10/2020 | 03/12/2020 | 53 |
| 7. | 2020-2021 | GSTR-1 | October | 11/11/2020 | 03/12/2020 | 22 |
| 8. | 2020-2021 | GSTR-1 | November | 11/12/2020 | 27/01/2021 | 47 |
| 9. | 2020-2021 | GSTR-1 | December | 11/01/2021 | 18/02/2021 | 38 |
| 10. | 2020-2021 | GSTR-1 | January | 11/02/2021 | 19/02/2021 | 8 |
| 11. | 2020-2021 | GSTR-1 | February | 11/03/2021 | 18/06/2021 | 99 |
| 12. | 2020-2021 | GSTR-1 | March | 11/04/2021 | 29/06/2021 | 79 |
| 13. | 2021-2022 | GSTR-1 | April | 11/05/2021 | 29/06/2021 | 49 |
| 14. | 2021-2022 | GSTR-1 | May | 11/06/2021 | 03/08/2021 | 53 |
| 15. | 2021-2022 | GSTR-1 | June | 11/07/2021 | 17/08/2021 | 37 |
| 16. | 2021-2022 | GSTR-1 | July | 11/08/2021 | 17/08/2021 | 6 |
| 17. | 2021-2022 | GSTR-1 | August | 11/09/2021 | 15/09/2021 | 4 |
| 18. | 2021-2022 | GSTR-1 | September | 11/10/2021 | 12/10/2021 | 1 |
| 19. | 2021-2022 | GSTR-1 | October | 11/11/2021 | 16/11/2021 | 5 |
| 20. | 2021-2022 | GSTR-1 | November | 11/12/2021 | 16/12/2021 | 5 |
| 21. | 2021-2022 | GSTR-1 | December | 11/01/2021 | 17/01/2022 | 371 |
| 24. | 2021-2022 | GSTR-1 | March | 11/04/2022 | 04/05/2022 | 23 |
| 25. | 2022-2023 | GSTR-1 | April | 11/05/2022 | 17/05/2022 | 6 |
| 26. | 2022-2023 | GSTR-1 | May | 11/06/2022 | 20/06/2022 | 9 |
| 27. | 2022-2023 | GSTR-1 | June | 11/07/2022 | 12/07/2022 | 1 |
| 28. | 2022-2023 | GSTR-1 | July | 11/08/2022 | 19/09/2022 | 39 |
| 29. | 2022-2023 | GSTR-1 | August | 11/09/2022 | 20/10/2022 | 39 |
| 30. | 2022-2023 | GSTR-1 | September | 11/10/2022 | 30/10/2022 | 19 |

Filings of GSTR-3B

| Sr. No. | Financial Year | Return Type | Tax Period | Due Date | Date of Filing | Delay Days |
|---------|----------------|-------------|------------|------------|----------------|------------|
| 1. | 2020-2021 | GSTR-3B | April | 20/05/2020 | 27/07/2020 | 68 |
| 2. | 2020-2021 | GSTR-3B | May | 20/06/2020 | 27/07/2020 | 37 |
| 3. | 2020-2021 | GSTR-3B | June | 20/07/2020 | 03/12/2020 | 136 |
| 4. | 2020-2021 | GSTR-3B | July | 20/08/2020 | 03/12/2020 | 105 |
| 6. | 2020-2021 | GSTR-3B | September | 20/10/2020 | 04/12/2020 | 45 |
| 7. | 2020-2021 | GSTR-3B | October | 20/11/2020 | 04/12/2020 | 14 |
| 8. | 2020-2021 | GSTR-3B | November | 20/12/2020 | 18/02/2021 | 60 |

| | | | | | | |
|-----|-----------|---------|-----------|------------|------------|----|
| 9. | 2020-2021 | GSTR-3B | December | 20/01/2021 | 18/02/2021 | 29 |
| 11. | 2020-2021 | GSTR-3B | February | 20/03/2021 | 18/06/2021 | 90 |
| 12. | 2020-2021 | GSTR-3B | March | 20/04/2021 | 29/06/2021 | 70 |
| 13. | 2021-2022 | GSTR-3B | April | 20/05/2021 | 29/06/2021 | 40 |
| 14. | 2021-2022 | GSTR-3B | May | 20/06/2021 | 16/08/2021 | 57 |
| 15. | 2021-2022 | GSTR-3B | June | 20/07/2021 | 16/08/2021 | 27 |
| 22. | 2021-2022 | GSTR-3B | January | 20/02/2022 | 21/02/2022 | 1 |
| 23. | 2021-2022 | GSTR-3B | February | 20/03/2022 | 21/03/2022 | 1 |
| 24. | 2021-2022 | GSTR-3B | March | 20/04/2022 | 05/05/2022 | 15 |
| 25. | 2022-2023 | GSTR-3B | April | 20/05/2022 | 26/05/2022 | 6 |
| 26. | 2022-2023 | GSTR-3B | May | 20/06/2022 | 21/06/2022 | 1 |
| 28. | 2022-2023 | GSTR-3B | July | 20/08/2022 | 20/10/2022 | 61 |
| 29. | 2022-2023 | GSTR-3B | August | 20/09/2022 | 20/10/2022 | 30 |
| 30. | 2022-2023 | GSTR-3B | September | 20/10/2022 | 31/10/2022 | 11 |
| 31. | 2022-2023 | GSTR-3B | October | 20/11/2022 | 22/11/2022 | 2 |

Filing details for GSTR 9

| Sr. No. | Financial Year | Return Type | Tax Period | Due Date | Date of Filing | Delay Days |
|---------|----------------|-------------|------------|------------|----------------|------------|
| 1. | 2017-2018 | GSTR-9 | Annual | 31/12/2018 | 29/01/2020 | 394 |
| 2. | 2018-2019 | GSTR-9 | Annual | 31/12/2019 | 01/10/2020 | 275 |
| 3. | 2019-2020 | GSTR-9 | Annual | 31/12/2020 | 27/02/2021 | 58 |

Filing details for GSTR 9C

| Sr. No. | Financial Year | Return Type | Tax Period | Due Date | Date of Filing | Delay Days |
|---------|----------------|-------------|------------|------------|----------------|------------|
| 1. | 2017-2018 | GSTR-9C | Annual | 31/12/2018 | 31/01/2020 | 396 |
| 3. | 2019-2020 | GSTR-9C | Annual | 31/12/2020 | 27/02/2021 | 58 |

The reason for earlier delay filed returns is primarily the un-trained staff. Non-compliance of applicable laws shall attract penal provisions and inability to file the statutory returns on time and failure to remit statutory dues will have an adverse effect on our operations and the company shall also face negative brand image in the market.

13. Our Company requires several statutory and regulatory permits, licenses and approvals for its operations. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have a material adverse effect on our business & operations.

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/approvals. As on date of this Draft Red Herring Prospectus, our company has not obtained Shops and Establishment registration for office located at A, 3010 Solitaire Business Hub, Viman Nagar, Pune - 411014, Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our Company's operations and may have a material adverse effect on the business. For further details, please refer to section titled-*Government and Other Approval* beginning on page 216 of this Draft Red Herring Prospectus.

- 14. We operate in an industry which is highly sensitive with regard to maintenance of secrecy of the projects and its contents. Any failure on our part to maintain secrecy of our projects, will have an adverse effect on our results of operations and financial condition.**

We operate in an industry which is highly sensitive with regard to maintenance of secrecy of the projects and its contents. We have put in place firewall, security systems and procedures to protect the projects and its contents. Piracy of project content, its information, digital effects including internet piracy and the sale of counterfeit consumer products, may decrease revenue from the exploitation of our products. Any failure on our part to maintain secrecy of our projects, will have an adverse effect on our results of operations and financial condition.

- 15. We depend on our relationships with production house and film directors and other industry participants to exploit our film content.**

We generate projects through our relationship with production house and films directors and other industry participants. Our failure to maintain these relationships, or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

- 16. Our Company has availed and may in the future avail, unsecured loans that may be recalled by the lenders at any time.**

As on June 30, 2023 Our Company has outstanding unsecured loans from lenders amounting to Rs. 493.22 Lakhs, which may be recalled by them at any time. In the event that any of them seeks a repayment of any such loan, then Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Moreover, our Company may not have adequate working capital to continue our operations. As a result, any such demand may affect our business, and in turn may affect our cash flows and results of operations.

- 17. Our Company had negative cash flows from our Operating activities, investing activities as well as financing activities in some of the previous year(s):**

Our Company had negative cash flows from our Operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Restated standalone Financial Statements and the same are summarized as under:

| Particulars | June 30, 2023 | (Rs. in lakhs) Year ended March 31, | | |
|------------------------------------|------------------|--|----------|----------|
| | | 2023 | 2022 | 2021 |
| Net Cash from Operating Activities | (213.60) | 123.41 | 417.27 | 186.88 |
| Net Cash from Investing Activities | (52.60) | (310.07) | (229.47) | (151.39) |
| Net Cash from Financial Activities | 266.63 | 186.68 | (189.20) | (35.38) |

- 18. Our Promoters have provided personal guarantees to loan facility availed by us, which if revoked may require alternative guarantees, repayment of amount due or termination of the facilities.**

Our Promoters have provided personal guarantees to certain loan facilities availed by us. In the event that any of these guarantees are revoked or withdrawn, the lenders for such facility may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facility. We may not be successful in procuring alternative guarantees satisfactory to the lender, and as result may need to repay the outstanding amounts under such facility or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial conditions

- 19. Within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 60 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.**

We intend to use our entire Net Offer Proceeds towards meeting the working capital requirement, general corporate purpose and Offer Expense. We intend to deploy the Net Offer Proceeds in financial year 2023-24, 2024-25, 2025-26 and 2026-27 and such deployment is based on certain assumptions and strategy which our

Company believes to implement in future. The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Offer Proceeds, please refer chapter titled “Objects of the Offer” beginning on page 60 of this Draft Red Herring Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 60 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer subject to provisions of applicable laws. Our Board of Directors will monitor the proceeds of this Offer.

20. *Our indebtedness and the restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.*

As of period June 30, 2023, we had total outstanding borrowings of ₹ 912.25 Lakhs. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing arrangements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives.

As on the date of the Draft Red herring prospectus we have taken loans from ICICI Bank Limited, Bajaj Finance Limited, Duestche Bank Private Limited, Fed Bank Financial Services Limited, L&T Financial Services Limited, Saraswat Co-operative Bank Limited, Kotak Mahindra Bank Limited, Axis Bank Limited, Unity Small Finance Bank Limited, Clix Capital Services Private Limited, Hero Fincorp Limited, Shriram Finance Limited, Aditya Birla Finance Limited, Kisetsu Saison Finance Limited

However, we are in the process of obtaining No Objection Certificate (NOC) from Bajaj Finance Limited, Axis Bank Limited, Clix Capital Services Private Limited, Hero Fincorp Limited, Aditya Birla Finance Limited and we undertake to provide the NOC before In-Principle approval or if required by lender we will repay the loan.

21. *There may be potential conflict of interests between our Company, Subsidiary and Group Company promoted by our directors or Promoter Group Members/ Entities.*

Our wholly owned subsidiary company viz. Digikore Visual Effects Inc. is in the similar line of business, however, we have not executed any Non-Compete Agreement with our Directors or Promoter Group Members/ Entities to not to engage in businesses similar to that of our Company.

Conflicts of interests may arise in the future in allocating business opportunities amongst our Company, Promoter Group Members/ Entities in such circumstances where our respective interests diverge. There can be no assurance that our Directors/Promoter/Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any future conflicts could have a material adverse effect on our business, results of operations and financial condition

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. Though we have ensured the compliance of Companies Act, 2013 and other applicable laws in dealing with related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to Chapter titled “Restated Financial Statement” beginning on page 131 of this Draft Red Herring Prospectus.

23. *Our inability to adapt to rapidly changing post production technology in a timely manner or at all may adversely affect our profitability and results of operation.*

We have an in-house state-of-the-art digital post-production studio which provides services such as digital intermediate processing, film restoration, format conversions among others. We rely on third party licenses for the tools and techniques developed in the industry for the aforementioned post production services. Such tools

and techniques are prone to rapid changes in technology. We may not be able to adapt to such changes in a timely manner or at all. In order to remain competitive, we could be required to upgrade our technology, and any failure to do so could have a material adverse effect on our business prospects, financial condition and results of operations

24. *Our success depends largely upon the services of our Promoters and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain them may adversely affect the operations of our Company.*

Our Company and our Promoters have built relations with suppliers, clients and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company's performance is dependent upon the services of our Promoters and other Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular could result in a loss of domain and process knowledge. Demand for key managerial personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

25. *There may be potential conflicts of interest if our Promoters or Directors get involved in any business activities that compete with or are in the same line of activity as our business operations.*

At present our Promoter is engaged in other business having object similar to the line of business of our Company. We have not entered into Non-Compete agreement with such company and there can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

26. *Our logo is not registered. In case of no registration our brand building efforts may be hampered which might lead to an adverse effect on our business.*

We have made application dated May 22, 2023 for registration of our Logo/trademark under the Trademarks Act, 1999 for getting the same registered. In case of no registration, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

For further details, please refer "Intellectual Property" under chapter "Our Business" on page 84 of this Draft Red Herring Prospectus.

27. *Lockdown and suspension of commercial operations will affect the growth of our business and cash flows.*

We are operating in an industry which is highly sensitive with regard to maintenance of secrecy of the projects and its contents. Further, for execution of our projects, we require highly sophisticated software under highly advanced firewall and security. Ensuring privacy of the content of our projects will be put on compromise if work from home is allowed to our workforce. Further, the use of our software by the workforce working from home is not possible. Thus, lockdown and suspension of commercial operations due to any reason, including pandemic, will effect the growth of our business and results of our operations.

28. *We are subject to stringent labour laws or other industry standards and any strike, work stoppage, Lock-out or increased salary demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.*

We are subject to a number of stringent labour laws that protect the interests of our employees, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of employees and imposes financial obligations on employers. While we have not experienced significant employee unrest in the past, strikes, lock-outs and other employee action but such may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations. We cannot guarantee that we will not experience any strike, work stoppage, lock out or increased salary or other action in the future and any such event could adversely affect our business, results of operation and financial condition.

29. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

30. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company even after the Issue which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters and Promoter Group will collectively own 66.55% of our post issue equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

31. Our insurance coverage may not be adequate and this may have a material adverse effect on our business financial condition and results of operation.

We maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. For details on Insurance taken by us, refer chapter “Our Business” on page 84 of this Draft Red Herring Prospectus

32. We have issued Equity Shares during the last one year at a price that is below the Issue Price.

During the last one year we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment |
|-------------------|----------------------------------|----------------|-----------------|-------------------------|------------------------|
| July 28, 2023 | 35,52,000 | 10 | Nil | Nil | Bonus Shares |
| August 09, 2023 | 3.36.000 | 10 | 164 | Cash | Preferential Allotment |

For details of the Allottees, please refer “Capital Structure” on page 50 of this Draft Red Herring Prospectus.

33. The average cost of acquisition of Equity Shares by our Promoters is lower than the Offer Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Offer Price of the shares proposed to be offered through this Draft Red Herring Prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

Average Cost of Acquisition of shares for Promoters:

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

| Sr. No | Name of Promoters | No of Equity Shares Held | Average Cost of Acquisition per Equity Share (in Rs.) |
|--------|-----------------------------------|--------------------------|---|
| 1. | Mr. Abhishek Rameskumar More | 7,90,500 | 0.02 |
| 2. | M/s. Shree M P J Cement Works LLP | 31,39,000 | 1.63 |

34. In case of any inability arise to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our sales channel and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees or marketing agents will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market conditions and other data or the strategies that we may use in future to use will be successful under various market conditions.

35. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

Since the Offer size is less than Rs.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 Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our finances.

37. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a

timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

38. *Our growth will depend on our ability to build our brand and failure to do so will negatively impact our ability to effectively compete in this industry.*

We believe that we need to continue to build our brand, “DIGIKORE”, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

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

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

40. *We have not independently verified certain industry data in this Draft Red Herring Prospectus.*

We have not independently verified data from the industry and related data contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

OFFER RELATED RISK

41. *Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

42. *Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures*

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

43. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Following the Offer, we will be subject to a daily “Circuit Breaker” imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian

stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares.

EXTERNAL RISK FACTORS

44. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies

45. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.

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 products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. 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 margin.

46. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page 99 of this Draft Red Herring Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties

with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or 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.

47. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

48. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India.

49. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

50. Significant differences exist between I-GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Restated financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with I-GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our Restated financial

statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from I-GAAP. Accordingly, the degree to which the I-GAAP financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

51. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.*

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

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

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

53. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.*

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

54. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV INTRODUCTION

THE OFFER

| | |
|--|--|
| Equity Shares Offered(1) | Up to 17,82,400 Equity Shares aggregating up to ₹[●] lakhs |
| The Offer consists of | |
| Fresh Issue (1) | 12,60,800 Equity shares aggregating up to ₹[●] lakhs |
| Offer for Sale (1) (2) | 5,21,600 Equity shares aggregating up to ₹[●] lakhs |
| The issue consist of | |
| A. QIB Portion(3) | Not more than [●] Equity Shares |
| Of which: | |
| Anchor Investor Portion | Up to [●] Equity Shares |
| Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares |
| Of which: | |
| Available for allocation to Mutual Funds only (5.00% of the QIB Portion (excluding Anchor Investor Portion)) | At least [●] Equity Shares |
| Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares |
| B. Non-Institutional Category | Not more than [●] Equity Shares |
| C. Retail Portion | Not more than [●] Equity Shares |
| Pre and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the Offer | 50,72,000 Equity Shares |
| Equity Shares outstanding after the Offer | 63,32,800 Equity Shares |
| Utilisation of Net Proceeds | See “Objects of the Offer” beginning on page 60 for information about the use of the Net Proceeds. |

⁽¹⁾ The Offer has been authorized by a resolution of our Board dated July 20, 2023 and has been approved by a special resolution dated July 21, 2023 passed by our Shareholders.

⁽²⁾ The selling shareholder has specifically confirmed that its respective portion of the offered shares are eligible to be offered for sale in the offer in accordance with the SEBI ICDR Regulation. For details on the quantum of offered shares and authorization of each of the selling shareholder in relation to the offered shares see “Other Regulatory and Statutory Disclosures” beginning on page 220

⁽³⁾ Our Company and Selling Shareholder may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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, which price shall be determined by our Company in consultation with the BRLM. In the event of under subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Portion. 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, 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 further details, see “Offer Procedure” beginning on page 240.

SUMMARY OF FINANCIAL STATEMENTS

Standalone Statement of Assets and Liabilities as restated

(Amount in INR lakh unless stated otherwise)

| EQUITY AND LIABILITIES | Notes | June 30, 2023 | As at March | | |
|--|-------|------------------|-----------------|---------------|---------------|
| | | | 2023 | 2022 | 2021 |
| Shareholders' funds | | | | | |
| Share capital | 3 | 118.40 | 118.40 | 118.40 | 118.40 |
| Reserves and surplus | 4 | 752.19 | 472.54 | 35.08 | (11.46) |
| | | 870.59 | 590.94 | 153.48 | 106.94 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 5 | 320.79 | 107.63 | 42.54 | 167.86 |
| Other long term Liabilities | | 1.00 | - | - | - |
| Long-term provisions | 6 | 45.41 | 42.99 | 53.40 | 14.16 |
| | | 367.20 | 150.62 | 95.94 | 182.02 |
| Current liabilities | | | | | |
| Short-term borrowings | 7 | 591.46 | 499.98 | 306.92 | 330.91 |
| Trade payables | 8 | - | - | - | - |
| • Total outstanding dues of micro enterprises and small enterprises | | - | 7.95 | - | - |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | | 209.98 | 248.10 | 102.44 | 121.00 |
| Other current liabilities | 8 | 150.11 | 213.78 | 132.52 | 18.28 |
| Short-term provisions | 9 | 320.46 | 201.11 | 33.88 | 38.68 |
| | | 1272.01 | 1,170.98 | 575.76 | 508.87 |
| TOTAL | | 2509.80 | 1,912.48 | 825.18 | 797.83 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment and intangible assets | | | | | |
| Property, plant & equipment | 10 | 210.20 | 217.22 | 235.35 | 75.31 |
| Intangible assets | 11 | 30.18 | 32.20 | 40.01 | 62.50 |
| Capital work-in-progress | 12 | 274.86 | 232.09 | - | - |
| Non-current investments | 13 | 144.27 | 144.27 | 144.21 | 144.21 |
| Deferred tax assets (net) | 14 | 33.01 | 33.01 | - | - |
| Long term loans and advances | 15 | 19.40 | 19.34 | 36.02 | 21.00 |
| Other non-current assets | 16 | 244.74 | 172.54 | 110.69 | 100.84 |
| | | 956.66 | 850.67 | 566.28 | 403.86 |
| Current assets | | | | | |
| Trade receivables | 17 | 1023.43 | 598.72 | 139.49 | 280.62 |
| Cash and bank balances | 18 | 1.63 | 1.19 | 1.17 | 2.57 |
| Short term loans and advances | 19 | 278.14 | 267.04 | 109.98 | 89.40 |
| Other current assets | 20 | 249.94 | 194.86 | 8.26 | 21.38 |
| | | 1553.14 | 1,061.81 | 258.90 | 393.97 |
| TOTAL | | 2509.80 | 1,912.48 | 825.18 | 797.83 |

Standalone Statement of Profit and Loss as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | June 30, 2023 | For the period ended March 31 | | |
|---|-------|------------------|----------------------------------|-----------------|---------------|
| | | | 2023 | 2022 | 2021 |
| INCOME | | | | | |
| Revenue from operations | 21 | 1182.68 | 3,443.98 | 2,488.18 | 487.32 |
| Other income | 22 | 0.31 | 111.85 | 0.21 | 128.21 |
| Total Revenue | | 1182.99 | 3,555.83 | 2,488.39 | 615.53 |
| EXPENSES | | | | | |
| Cost of Technical Subcontractors | | 112.93 | 735.22 | 1,235.92 | 230.54 |
| Employee benefits expense | 23 | 375.34 | 1,165.23 | 539.49 | 162.55 |
| Finance costs | 24 | 38.01 | 71.47 | 39.89 | 73.20 |
| Depreciation and amortization expense | 25 | 18.86 | 103.80 | 91.89 | 25.72 |
| Other expenses | 26 | 254.24 | 907.30 | 476.80 | 120.90 |
| Total Expenses | | 799.38 | 2,983.02 | 2,383.99 | 612.91 |
| Profit before tax | | 383.61 | 572.81 | 104.40 | 2.62 |
| Tax expenses: | | | | | |
| Current tax | | | | | |
| Pertaining to profit for the current period | | 103.96 | 163.26 | 57.86 | 0.82 |
| Adjustment of tax relating to earlier periods | | - | 5.10 | - | - |
| Deferred tax | | - | (33.01) | - | - |
| Total tax expense | | 103.96 | 135.35 | 57.86 | 0.82 |
| Profit for the year | | 279.65 | 437.46 | 46.54 | 1.80 |

Standalone Statement of Cash flow as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | June 30, 2023 | For the period ended March 31 | | |
|--|------------------|----------------------------------|-----------------|-----------------|
| | | 2023 | 2022 | 2021 |
| Cash Flow from operating activities | | | | |
| Profit before tax | 383.61 | 572.81 | 104.40 | 2.62 |
| Adjustment to reconcile profit before tax to net cash flows | | | | |
| Depreciation/ amortization | 18.86 | 103.80 | 91.89 | 25.72 |
| Interest expense | 38.01 | 71.47 | 39.89 | 73.20 |
| Dividend (income) | - | 0.05 | 0.05 | - |
| Operating profit before working capital changes | 440.48 | 748.13 | 236.23 | 101.54 |
| Movements in working capital: | | | | |
| Increase / (decrease) in trade payables | (46.07) | 153.61 | (18.56) | 35.43 |
| Increase / (decrease) in provisions | 17.81 | (11.53) | (23.46) | 44.30 |
| Increase / (decrease) in other liabilities | (62.67) | 81.32 | 114.25 | (34.79) |
| Decrease / (increase) in trade receivables | (424.71) | (459.23) | 141.13 | 32.81 |
| Decrease / (increase) in loans and advances | (11.16) | (140.44) | (35.60) | (94.05) |
| Decrease / (increase) in other current assets | (127.28) | (248.45) | 3.28 | 101.64 |
| Cash generated from / (used in) operations | (213.60) | 123.41 | 417.27 | 186.88 |
| Direct taxes paid (net of refunds) | - | - | - | - |
| Net cash flow from/ (used in) operating activities (A) | (213.60) | 123.41 | 417.27 | 186.88 |
| | | | | |
| Cash Flow from investing activities | | | | |
| Purchase of property, plant and equipment, including CWIP and capital advances | (52.60) | (313.31) | (229.42) | (9.39) |
| Proceeds from sale of property, plant and equipment | - | 3.35 | - | - |
| Purchase of non-current investments | - | (0.06) | - | (142.00) |
| Dividends received | - | (0.05) | (0.05) | - |
| Net cash flow from/ (used in) investing activities (B) | (52.60) | (310.07) | (229.47) | (151.39) |
| | | | | |
| Cash Flow from financing activities | | | | |
| Proceeds from long-term borrowings | 213.16 | 65.09 | - | - |
| Repayment of long-term borrowings | - | - | (125.33) | (33.51) |
| Proceeds from short-term borrowings | - | 193.06 | - | 71.33 |
| Repayment of short-term borrowings | 91.48 | - | (23.98) | - |
| Interest paid | (38.01) | (71.47) | (39.89) | (73.20) |
| Net cash flow from/ (used in) in financing activities (C) | 266.63 | 186.68 | (189.20) | (35.38) |
| | | | | |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 0.43 | 0.02 | (1.40) | 0.11 |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | | | |
| Cash and cash equivalents at the beginning of the year | 1.19 | 1.17 | 2.57 | 2.46 |
| Cash and bank balances at the end of the year | 1.62 | 1.19 | 1.17 | 2.57 |
| | | | | |
| Components of cash and cash balances | | | | |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| – On current accounts | 0.31 | - | - | 2.09 |
| Cash on hand | 1.32 | 1.19 | 1.17 | 0.48 |
| Total cash and bank balances at end of the year | 1.63 | 1.19 | 1.17 | 2.57 |

Consolidated Statement of Assets and Liabilities as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | As at June 30, 2020 | As at March 31 | |
|--|-------|---------------------------|-----------------|---------------|
| | | | 2023 | 2022 |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| Share capital | 3 | 118.40 | 118.40 | 118.40 |
| Reserves and surplus | 4 | 694.30 | 424.26 | 35.08 |
| | | 813.30 | 542.66 | 153.48 |
| Non-current liabilities | | | | |
| Long-term borrowings | 5 | 320.79 | 107.63 | 42.54 |
| Other long-term liabilities | | 1.00 | - | - |
| Long-term provisions | 6 | 45.41 | 42.99 | 53.40 |
| | | 367.20 | 150.62 | 95.94 |
| Current liabilities | | | | |
| Short-term borrowings | 7 | 591.46 | 500.92 | 306.92 |
| Trade payables | 8 | - | | |
| • Total outstanding dues of micro enterprises and small enterprises | | | 7.95 | - |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | | 278.47 | 316.26 | 102.44 |
| Other current liabilities | 8 | 170.35 | 213.84 | 132.52 |
| Short-term provisions | 9 | 298.05 | 201.11 | 33.88 |
| | | 1338.33 | 1,239.13 | 575.76 |
| TOTAL | | 2518.33 | 1,932.42 | 825.18 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant & equipment and intangible assets | | | | |
| Property, plant & equipment | 10 | 210.20 | 217.24 | 235.35 |
| Intangible assets | 11 | 30.18 | 32.19 | 40.00 |
| Capital work-in-progress | 12 | 274.86 | 232.09 | - |
| Non-current investments | 13 | 144.21 | 144.21 | 144.21 |
| Deferred tax assets (net) | 14 | 33.01 | 33.01 | - |
| Long term loans and advances | 15 | 19.40 | 19.40 | 36.02 |
| Other non-current assets | 16 | 244.77 | 172.54 | 110.70 |
| | | 956.33 | 850.68 | 566.28 |
| Current assets | | | | |
| Trade receivables | 17 | 1026.29 | 603.66 | 139.49 |
| Cash and bank balances | 18 | 6.98 | 15.32 | 1.17 |
| Short term loans and advances | 19 | 278.14 | 267.04 | 109.98 |
| Other current assets | 20 | 250.79 | 195.71 | 8.26 |
| | | 1562.20 | 1,081.73 | 258.90 |
| TOTAL | | 2518.83 | 1,932.41 | 825.18 |

Consolidated Statement of profit and loss as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | As at June 30, 2020 | As at March 31 | |
|---|-------|---------------------------|-----------------|-----------------|
| | | | 2023 | 2022 |
| INCOME | | | | |
| Revenue from operations | 21 | 1182.68 | 3,580.53 | 2,488.18 |
| Other income | 22 | 3.81 | 111.85 | 0.21 |
| Total Revenue | | 1186.49 | 3,692.38 | 2,488.39 |
| EXPENSES | | | | |
| Cost of Technical Subcontractors | | 112.93 | 909.62 | 1,235.92 |
| Employee benefits expense | 23 | 375.34 | 1,165.23 | 539.49 |
| Finance costs | 24 | 38.11 | 72.07 | 39.89 |
| Depreciation and amortization expense | 25 | 18.86 | 103.80 | 91.89 |
| Other expenses | 26 | 266.40 | 917.14 | 476.80 |
| Total Expenses | | 811.64 | 3,167.86 | 2,383.99 |
| Profit before tax | | 374.85 | 524.52 | 104.40 |
| Tax expenses: | | | | |
| Current tax | | | | |
| Pertaining to profit for the current period | | 103.96 | 163.26 | 57.86 |
| Adjustment of tax relating to earlier periods | | - | 5.10 | - |
| Deferred tax | | - | (33.01) | - |
| Total tax expense | | 103.96 | 135.35 | 57.86 |
| Profit for the year | | 270.89 | 389.17 | 46.54 |
| Earning per equity share [nominal value of share INR 10] | | | | |
| Basic (in INR) | | 22.88 | 32.87 | 3.93 |
| Diluted (in INR) | | 22.88 | 32.87 | 3.93 |

Consolidated Statement of Cash flow as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | As at | As at March 31 | |
|--|-----------------|-----------------|-----------------|
| | June 30, 2020 | 2023 | 2022 |
| Cash Flow from operating activities | | | |
| Profit before tax | 374.85 | 524.52 | 104.40 |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation/ amortization | 18.86 | 103.80 | 91.89 |
| Interest expense | 38.11 | 72.07 | 39.89 |
| Dividend (income) | - | 0.05 | 0.05 |
| Operating profit before working capital changes | 431.82 | 700.44 | 236.23 |
| Movements in working capital: | | | |
| Increase / (decrease) in trade payables | (45.74) | 220.82 | (18.56) |
| Increase / (decrease) in provisions | (4.85) | (11.55) | (23.43) |
| Increase / (decrease) in other liabilities | (42.49) | 81.32 | 114.23 |
| Decrease / (increase) in trade receivables | (422.62) | (464.17) | 141.13 |
| Decrease / (increase) in loans and advances | (11.10) | (140.44) | (35.60) |
| Decrease / (increase) in other current assets | (127.31) | (249.29) | 3.28 |
| Cash generated from / (used in) operations | (222.29) | 137.13 | 417.28 |
| Direct taxes paid (net of refunds) | - | - | - |
| Net cash flow from/ (used in) operating activities (A) | (222.29) | 137.13 | 417.28 |
| Cash Flow from investing activities | | | |
| Purchase of property, plant and equipment, including CWIP and capital advances | (52.58) | (313.30) | (229.43) |
| Proceeds from sale of property, plant and equipment | - | 3.35 | - |
| Dividends received | - | (0.05) | (0.05) |
| Net cash flow from/ (used in) investing activities (B) | (52.58) | (310.00) | (229.48) |
| Cash Flow from financing activities | | | |
| Proceeds from long-term borrowings | 213.16 | 65.09 | - |
| Repayment of long-term borrowings | - | - | (125.33) |
| Proceeds from short-term borrowings | - | 194.00 | - |
| Repayment of short-term borrowings | 91.48 | - | (23.98) |
| Interest paid | (38.11) | (72.07) | (39.89) |
| Net cash flow from/ (used in) in financing activities (C) | 266.53 | 187.02 | (189.20) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (8.34) | 14.15 | (1.40) |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | | |
| Cash and cash equivalents at the beginning of the year | | 1.17 | 2.57 |
| Cash and bank balances at the end of the year | | 15.32 | 1.17 |
| Components of cash and cash balances | | | |
| Cash and cash equivalents | | | |
| Balances with banks: | | | |
| – On current accounts | (8.34) | 14.15 | - |
| Cash on hand | 15.32 | 1.17 | 1.17 |
| Total cash and bank balances at end of the year | 6.98 | 15.32 | 1.17 |

GENERAL INFORMATION

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of “Digikore Studios Private Limited”. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to “Digikore Studios Private Limited” vide shareholder’s approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune.

For further details, please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on Page 106 of this Draft Red Herring Prospectus.

Registered Office of our Company

Digikore Studios Limited

C/o Poona Bottling Company Private Limited,
410/1, 411/2, Mumbai Pune Road, Dapodi, Pune – 411012.

Tel. No.: 020-35553555

E-mail: cs@digikore.com

Website: www.digikorevfx.com

Registration Number: 157681

Corporate Identification Number: U92112PN2000PLC157681

Corporate Office of our Company

Digikore Studios Limited

Lalwani Tirumph, Sakore Nagar,
Viman Nagar, Pune-411014.

Tel. No.: +91 9284540432

E-mail: cs@digikore.com

Registrar of Companies

The Registrar of Companies, Pune

PCNTDA Green Building, Block A, 1st & 2nd Floor,
Near Akurdi Railway Station,
Akurdi, Pune - 411044.

Designated Stock Exchange

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot no. C/1, G Block,
Bandra- Kurla Complex, Bandra (E)
Mumbai-400051

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 106 of this Draft Red Herring Prospectus.

Board of Directors of our Company

| Sr. No. | Name, Age, DIN | Address | Designation |
|---------|---|--|-------------------|
| 1) | Mr. Abhishek Rameshkumar More Age: 46 Years DIN: 00139618 | 115 National Co-op Housing Society, Baner Road, Aundh, Ganeshkhind, Pune- 411007 | Managing Director |
| 2) | Mr. Rohit Rameshkumar More | 115 National Co-op Housing Society, | Director |

| Sr. No. | Name, Age, DIN | Address | Designation |
|---------|--|--|---------------------------------|
| | Age: 50 Years DIN: 00139797 | Baner Road, Aundh, Ganeshkhind, Pune-411007 | |
| 3) | Mr. Rameshkumar More Age: 73 Years DIN: 00140179 | 115 National Co-op Housing Society, Baner Road, Aundh, Ganeshkhind, Pune-411007 | Non-Executive Director |
| 4) | Mr. AqueelMehboob Merchant Age: 50 Years DIN: 08042097 | Flat No. 1201, Tower-5, Amanora Park, Hadapsar, Amanora Road, Pune-411028 | Additional Independent Director |
| 5) | Ms. MeghaVirendra Raval Age: 43 Years DIN: 10241141 | 204, Goldfinch, Nyati Enclave Cooperative Society, Opposite Delhi Public High School, Mohammad Wadi, Pune-411060 | Additional Independent Director |

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 110 of this Draft Red Herring Prospectus.

Company Secretary & Compliance Officer

Mrs. Heny Pahuja

Digikore Studios Limited

C/o Poona Bottling Company Private Limited.,
410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012

Tel. No.: 020-35553555

E-mail: cs@digikore.com

Investors may contact the Compliance Officer and / or the Registrar to the Offer and / or the BRLM to the Offer in case of any Pre- Offer or Post- Offer related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.

All grievances relating to the application process may be addressed to the Registrar to the Offer, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for amount blocked, ASBA Account number, UPI ID used by the Applicant and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

For all Offer related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

Chief Financial Officer

Mr. Shrinivas Lakhichand Behede

Digikore Studios Limited

C/o Poona Bottling Company Private Limited.,
410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012

Tel. No.: 020-35553555

E-mail:shrinivas.behede@digikore.com

Key Intermediaries to the Offer:

| Book Running Lead Manager to the Offer | Registrar to The Offer |
|---|--|
| <p>Sarathi Capital Advisors Private Limited 401, 4th Floor, Manek Plaza, 167, Vidyanagar Marg, Kalina, Santacruz (East), Mumbai-400098 Tel: +91 22 26528671/72 Contact Person: Mr. Taher Engineer Email: compliance@sarathiwm.in Website: www.sarathi.in SEBI Registration No.: INM000012011</p> | <p>Bigshare Services Private Limited Office No S6-2, 6thFloor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400093 Tel: +91 22 62638200 E-mail: ipo@bigshareonline.com Investor Grievance Id: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal C. SEBI Registration No.: INR000001385</p> |

| Legal Advisor to the Company | Banker to the Company |
|--|--|
| <p align="center">Naresh Kamdar Nav Maharashtra House 3, Shaniwar Wada, Shaniwar Peth, Pune-411030 Enrolment No.: Mah/5373/2008 Tel No.: +91 9604400837 Email: kamdarlegal@gmail.com</p> | <p align="center">ICICI Bank Limited Gulmohar Park, Plot 1A, ITI Road, Aundh, Pune - 411007 Tel. No.: +91 7410071304 Email:Shweta.garse@icicibank.com Contact Person: Ms. Shewta Garse</p> |
| Statutory Auditor and Peer Reviewed Auditor | |
| <p align="center">M/s. Sharad Shah & Co. Chartered Accountants 1184/4, Gokul Nagar-B, Fergusson College Road, Dnayneshwar Paduka Chowk, Shivaji Nagar, Pune-411005 Tel. No.: +91 020-25535405/25535426/25536624 Email:sunil.kadam@ssandco.com Contact Person: Mr. Sunil Kadam Firm Registration No.: 109931W Membership No.: 042756 Peer Review Certificate No.: 013902</p> | |
| Banker To the Issue/ Public Issue Bank/Sponsor Bank/Refund Bank | |
| <p align="center">[•]* <i>Will be updated prior to the filing of Red Herring Prospectus</i></p> | |

SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website www.sebi.gov.in at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Application made using incorrect UPI handle or using a bank account of aSCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.

Credit Rating

This being an Offer of Equity shares, credit rating is not required.

IPO Grading

Our Company has not obtained any IPO grading for this offer from any credit rating agency.

Appraisal and Monitoring Agency

As per Regulation 262(1) SEBI (ICDR) Regulations, 2018, the requirement of Monitoring Agency is not mandatory if the Fresh Issue size is below Rs.10,000 Lakhs. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer

Inter-se allocation of Responsibilities

Since Sarthi Capital Advisors Private Limited is the sole Book Running Lead Manager to this Offer, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not applicable.

Expert Opinion

Except the report of the Statutory Auditor on statement of tax benefits and Peer Review Auditor on restated financial statements for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 as included in this Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

Debenture Trustee

Since this is not a debenture issue, appointment of debenture trustee is not required.

Filing of Offer Document

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

Withdrawal of the Offer

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Offer Opening Date without assigning any reason thereof. If our Company withdraws the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The notice of withdrawal will be issued in the same newspapers where the Pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Offer after the Offer Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Offer Document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Underwriter

In terms of Regulation 260(1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent of the offer and shall not be restricted upto the minimum subscription level and as per sub regulation (2) the Book Running Lead Manager(s) shall underwrite at least fifteen percent of the Offer size on their own account(s).

Our Company and BRLM to the Offer hereby confirm that the Offer is 100.00% Underwritten. The Underwriting Agreement is dated [●] pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Offer.

| Name and Address of the Underwriter* | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (₹ in Lakhs)* | % of the Total Issue Size Underwritten |
|--------------------------------------|---|-----------------------------------|--|
| [●] | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

*Will be updated in the Red Herring prospectus.

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall not be paid any commission.

Changes in Auditors During the last three Financial Years

Except as stated below, there has been no change in the Auditor of our Company during the last 3 (Three) Financial year:

| Details of Auditors | Date of Appointment | Date of Resignation | Reason |
|--|---------------------|---------------------|----------------|
| M/s. Palnitkar and Patwardhan Chartered Accountant Address: Gowardhan Society, Plot No.8, Gultekdi, Pune-410037. Contact Number: 020-24261724 E-mail: jhpalnitkar@yahoo.com Contact Person: Mr. Jitendra H. Palnitkar Firm registration No.: 120946W Membership No.: 047752 | September 30, 2019 | July 11, 2023 | Casual Vacancy |
| M/s. Sharad Shah & Co. Chartered Accountant Address: 1184/4, Gokul Nagar-B, Fergusson College Road, Dnayneshwar Paduka Chowk, Shivaji Nagar, Pune-411005 Tel. No.: +91 020-25535405/426/6624 Email: sunil.kadam@ssandco.com Contact Person: Mr. Sunil Kadam Firm Registration No.: 109931W Membership No.: 042756 Peer Review Certificate No.: 013902 | July 11, 2023 | Not Applicable | Not Applicable |

Details of the Market Making Arrangement

Our Company, Selling Shareholder and the Book Running Lead Manager have entered into a tripartite agreement dated [●] with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

[●]

[●]

Tel: [●]

E-mail: [●]

Contact Person: [●]

SEBI Registration No.: [●]

^Will be updated in the Red Herring prospectus.

[●], registered with SME segment (NSE-EMERGE) of NSE will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations, 2018 and the circulars issued by NSE and SEBI regarding this matter from time to time.

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75.00% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall

inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
- 3) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 4) After a period of three months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 20.00% of Offer Size (Including the [●] Equity Shares out to be allotted under this Offer.) Any Equity Shares allotted to Market Maker under this Offer over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 20.00% of Offer Size. As soon as the Shares of Market Maker in our Company reduce to 19.00% of Offer Size, the market maker will resume providing 2-way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 6) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 7) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage [●] is acting as the sole Market Maker.
- 8) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 9) 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.
- 10) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250.00crores, the applicable price bands for the first day shall be:
 - (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5.00% of the equilibrium price.
 - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5.00% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

| Sr. No. | Market Price Slab (₹) | Proposed Spread (in % to sale price) |
|---------|-----------------------|--------------------------------------|
| 1) | Upto 50 | 9.00% |
| 2) | 50 to 75 | 8.00% |
| 3) | 75 to 100 | 6.00% |
| 4) | Above 100 | 5.00% |

- 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 the Exchange, while force-majeure will be applicable for non-

controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

- 12) The Market Maker(s) 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 replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the 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, 2018. 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office, India from 11.00 a.m. to 5.00 p.m. on working days.

- 13) NSE EMERGE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 14) NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- 15) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the Offer size and as follows:

| Offer Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|-------------------|--|---|
| Up to ₹20 Crores | 25.00% | 24.00% |
| ₹20 to ₹50 Crores | 20.00% | 19.00% |
| ₹50 to ₹80 Crores | 15.00% | 14.00% |
| Above ₹80 Crores | 12.00% | 11.00% |

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

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

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus before and after the issue is set forth below:

(₹ in lakhs)

| Sr. No. | Particulars | Aggregate Value | |
|--|--|-----------------|-------------|
| | | Face Value | Issue Price |
| A | Authorized Share Capital | | |
| | 75,00,000 Equity Shares of Face Value of ₹10.00 each | 750.00 | - |
| B | Issued, Subscribed and Paid-up Share Capital | | |
| | 50,72,000 fully paid up Equity Shares of Face Value of ₹10.00 each issued & fully paid | 507.20 | - |
| C | Present offer in Terms of the Draft Red Herring Prospectus* | | |
| | 17,82,400 Equity Shares of Face Value of ₹10.00 each | 178.24 | [●] |
| | Which comprises of | | |
| | [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share reserved as Market Maker portion | [●] | [●] |
| | Net Issue to Public of [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share to the Public | [●] | [●] |
| | Of which | | |
| | QIB portion of up to [●] Equity shares | | |
| | [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share will be available for allocation to Investors up to ₹2,00,000 | [●] | [●] |
| [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share will be available for allocation to Investors above ₹2,00,000 | [●] | [●] | |
| D | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | 63,32,800 Equity Shares of Face Value of ₹10.00 each | 633.28 | - |
| E | Securities Premium Account | | |
| | Before the Issue | | 517.44 |
| | After the Issue | | [●] |

*The Offer has been authorized by a resolution of our Board dated July 20, 2023 and has been approved by a special resolution dated July 21, 2023 passed by our Shareholders.

As on date, our Company has only one class of Share Capital. i.e Equity Shares of face value of ₹10 each only. All equity shares 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:

History of change in authorized Equity Share capital of Our Company

- a) The authorized capital of Rs. 10,00,000/- (Rupees Ten Lakhs only) consisting of 10,000 Equity Shares of face value of Rs.100/- each was split in to authorized capital of Rs. 10,00,000/- (Rupees Ten Lakhs only) consisting of 1,00,000 equity Shares of face value of Rs. 10/- each in the Financial year 2001-02.
Vide certificate dated August 14, 2023 by M/s. MV & Associates, Pune
- b) The Initial Authorized Share Capital of ₹10,00,000 (Rupees Ten Lakhs only) consisting of 1,00,000 Equity shares of face value of ₹10.00 each was increased to ₹25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity Shares of face value of ₹10.00 each pursuant to a resolution of the shareholders dated September 28, 2001.

- c) The Authorized Share Capital of ₹25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity shares of face value of ₹10.00 each was increased to ₹1,25,00,000 (Rupees One Crore Twenty Five Lakhs only) consisting of 12,50,000 Equity Shares of face value of ₹10.00 each pursuant to a resolution of the shareholders dated September 30, 2003.
- d) The Authorized Share Capital of ₹1,25,00,000 (Rupees One Crore Twenty Five Lakhs only) consisting of 12,50,000 Equity shares of face value of ₹10.00 each was increased to ₹7,50,00,000 (Rupees Seven Crore Fifty Lakhs only) consisting of 75,00,000 Equity Shares of face value of ₹10.00 each pursuant to a resolution of the shareholders dated July 11, 2023.

1. Equity Share Capital History

| Date of Allotment of the Equity shares | No. of Equity Shares Allotted | Face Value (₹) | Issue Price | Nature of Allotment | Nature of Consideration | Cumulative No. of Shares | Cumulative Paid up Capital | Share Premium | Cumulative Share Premium |
|--|-------------------------------|----------------|-------------|---------------------------------------|-------------------------|--------------------------|----------------------------|---------------|--------------------------|
| Since Incorporation | 20 | 100 | 100 | Subscription to MOA ⁽¹⁾ | Cash | 20 | 2000 | - | - |
| <i>During the Financial year 2001-2002 company has split its shares from Face Value of Rs.100 each to Face value of Rs.10 each and consequently the issued and paid-up equity share capital of our Company stood altered from ₹2000 (divided into 20 equity shares of ₹100 each) to ₹2000 (divided into 200 Equity Shares of ₹10 each)</i> | | | | | | | | | |
| January 15, 2002 | 2,49,800 | 10 | 10 | Further Allotment ⁽²⁾ | Cash | 2,50,000 | 25,00,000 | - | - |
| March 24, 2004 | 9,34,000 | 10 | 10 | Further Allotment ⁽³⁾ | Cash | 11,84,000 | 1,18,40,000 | - | - |
| July 28, 2023 | 35,52,000 | 10 | NA | Bonus Issue ⁽⁴⁾ | - | 47,36,000 | 4,73,60,000 | - | - |
| August 09, 2023 | 3,36,000 | 10 | 164 | Preferential Allotment ⁽⁵⁾ | Cash | 50,72,000 | 5,07,20,000 | 5,17,44,000 | 5,17,44,000 |

- (1) Initial Subscribers to Memorandum of Association hold 20 Equity Shares each of Face Value of ₹10 fully paid up as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|--------------|-------------------------------|------------------------|
| 1. | Mr. Abhishek Rameshkumar More | 10 |
| 2. | Mr. Rohit Rameshkumar More | 10 |
| Total | | 20 |

During the Financial year 2001-2002 company has split its shares from Face Value of Rs.100 each to Face value of Rs.10 each and consequently the issued and paid-up equity share capital of our Company stood altered from ₹2000 (divided into 20 equity shares of ₹100 each) to ₹2000 (divided into 200 Equity Shares of ₹10 each)

- (2) The Company allotted 2,49,800 Equity Shares of face value of ₹10.00 each at par for cash as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|--------------|---|------------------------|
| 1. | M/s Shree M P J Builders Private Limited | 1,18,550 |
| 2. | M/s Ridhi Sidhi Limited | 62,000 |
| 3. | Mr. Umesh Kumar More | 56,650 |
| 4. | Mr. VinodHaritwal | 12,500 |
| 5. | Mr.Umesh Kumar More JW Mrs. Premlata U More | 100 |
| Total | | 2,49,800 |

- (3) The Company allotted 9,34,000 Equity Shares of face value of ₹10 each at par for cash as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|--------------|---|------------------------|
| 1. | M/s. Shree M P J Builders Private Limited | 8,58,000 |
| 2. | M/s. Poona Bottling Company Private Limited | 61,000 |
| 3. | M/s. Growel Investment Limited | 15,000 |
| Total | | 9,34,000 |

- (4) The Company allotted 35,52,000 Equity Shares as Bonus Share of face value of ₹10 each in the ratio of 3:1 (Three) Equity Shares for every 1 (One) Equity Share as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|--------------|-----------------------------------|------------------------|
| 1. | M/s. Shree M P J Cement Works LLP | 23,54,250 |
| 2. | Mr. Abhishek Rameshkumar More | 5,92,875 |
| 3. | Mr. Rohit Rameshkumar More | 5,92,875 |
| 4. | M/s. Digikore Designs LLP | 3,000 |
| 5. | Mr. Ramesh Kumar More | 3,000 |
| 6. | Mrs. Prapti Abhishek More | 3,000 |
| 7. | Mrs. Jhumka Rohit More | 3,000 |
| Total | | 35,52,000 |

- (5) The Company allotted 3,36,000 Equity Shares of face value of ₹10 each at ₹ 164 pursuant to preferential allotment as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|--------------|--|------------------------|
| 1. | Nikhil Vora HUF | 1,22,400 |
| 2. | M/s. Squaricle Innovations Private Limited | 82,400 |
| 3. | Ms. Priyanka Sharma | 55,200 |
| 4. | Mr. Mrinal Singh | 15,200 |
| 5. | Mr. Vijay Khetan | 15,200 |
| 6. | Mr. PramodKasat | 15,200 |
| 7. | Mr. Vineet Sharma | 15,200 |
| 8. | Mr. Sanjay Parwal | 15,200 |
| Total | | 3,36,000 |

- Our Company does not have any outstanding preference shares as on the date of filing of this Draft Red Herring Prospectus.
- We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or under section 230-234 of the Companies Act, 2013.
- We have not issued any equity shares in last one year at price below Issue Price.
- Details of shareholding of Promoters:

a) Mr. Abhishek Rameshkumar More

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (₹) | Issue / Acquisition / Transfer price (₹) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|---|----------------------|--------------------------|--|------------------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation | 10 | 100 | 100 | Subscription to MOA ⁽¹⁾ | Negligible | Negligible | - | - |
| Total Pre-Split Shares | 10 | 100 | 100 | - | - | - | - | - |
| During the Financial year 2001-2002 Company has split its shares from Face Value of ₹100 each to Face value of ₹10 each | | | | | | | | |
| Total Post-Split Shares | 100 | 10 | 10 | Split of Shares | Negligible | Negligible | - | - |
| June 30, 2015 | 3,05,500 | 10 | 5.6 | Transfer ⁽²⁾ | 6.02% | 4.82% | - | - |
| September 05, 2015 | (3,05,500) | 10 | (5.6) | Transfer ⁽³⁾ | (6.02%) | (4.82%) | - | - |
| March 30, 2017 | 6,250 | 10 | 2.0 | Transfer ⁽⁴⁾ | 0.12% | 0.10% | - | - |
| September 06, 2021 | 1,92,775 | 10 | Nil | Transfer ⁽⁵⁾ | 3.80% | 3.04% | - | - |
| April 17, 2023 | (1,000) | 10 | Nil | Transfer ⁽⁶⁾ | (0.02%) | (0.02%) | - | - |
| April 17, 2023 | (500) | 10 | Nil | Transfer ⁽⁷⁾ | (0.01%) | (0.01%) | - | - |
| July 28, 2023 | 5,92,875 | 10 | Nil | Bonus ⁽⁸⁾ | 11.69% | 9.36% | - | - |
| Total | 7,90,500 | | | | 15.59% | 12.48% | - | - |

- Initial Subscribers to Memorandum of Association.
- Transferred from M/s. Shree M P J Cement Work LLP
- Transferred to M/s. Shree M P J Cement Work LLP
- Transferred from Mr. Vinod Haritwal
- Transferred from Mrs. Uma Devi More as gift
- Transferred to Mrs. Prapti Abhishek More gift
- Transferred to Mr. Rameshkumar More gift
- Allotment of Bonus shares in the ratio of 3:1

b) M/s. Shree M P J Cement Work LLP

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (₹) | Issue / Acquisition / Transfer price (₹) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|--------------------------------|----------------------------|--------------------------------------|---|---------------------------|--------------------------------|----------------------------------|-----------------------------|---------------------------|
| March 31, 2010 | 60,000 | 10 | 0.5 | Transfer ⁽¹⁾ | 1.18% | 0.95% | - | - |
| June 24, 2015 | 5,51,000 | 10 | 5.6 | Transfer ⁽²⁾ | 10.86% | 8.70% | - | - |
| June 30, 2015 | (6,11,000) | 10 | (5.6) | Transfer ⁽³⁾ | (12.05%) | (9.65%) | - | - |
| September 05, 2015 | 6,11,000 | 10 | 5.6 | Transfer ⁽⁴⁾ | 12.05% | 9.65% | - | - |
| August 24, 2016 | 6750 | 10 | 30 | Transfer ⁽⁵⁾ | 0.13% | 0.11 | - | - |
| August 24, 2016 | 1,00,000 | 10 | 14 | Transfer ⁽⁶⁾ | 1.97% | 1.58 | - | - |
| August 24, 2016 | 67000 | 10 | 6 | Transfer ⁽⁷⁾ | 1.32% | 1.06 | - | - |
| July 28, 2023 | 23,54,250 | 10 | Nil | Bonus ⁽⁸⁾ | 46.42% | 37.18% | - | - |
| TOTAL | 31,39,000 | | | | 61.89% | 49.57% | - | - |

(1) Transferred of 25,000 equity shares and 35,000 equity shares by PDJ Exports Private Limited and H P Asopa & Company Private Limited respectively.

(2) Transferred of 3,60,000 equity shares and 1,91,000 equity shares by Poona Bottling Company Private Limited and Growel Projects Limited respectively.

(3) Transferred of 3,05,500 equity shares and 3,05,500 equity shares to Mr. Abhishek Rameshkumar More and Mr. Rohit Rameshkumar More respectively

(4) Transferred of 3,05,500 equity shares and 3,05,500 equity shares from Mr. Abhishek Rameshkumar More and Mr. Rohit Rameshkumar More respectively

(5) Transferred of 6,650 equity shares and 100 equity shares from Mr. Umesh Kumar More, Mr. Umesh Kumar More JW Mrs. Premlata U More

(6) Transferred of 1,00,000 equity shares from Poona Bottling Company Private Limited

(7) Transferred of 67,000 equity shares from Niraj Kumar Umesh Kumar More-HUF respectively

(8) Allotment of Bonus shares in the ratio of 3:1

6. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 (six) months from the date of this Draft Red Herring Prospectus except transfer of 500 Equity Shares to Mr. Ramesh More and 1000 Equity Shares to Mrs. Prapti Abhishek More from Mr. Abhishek Rameshkumar More and transfer of 1000 Equity Shares to Mrs. Jhuma Rohit More and 500 Equity Shares to Mr. Rameshkumar More from Mr. Rohit Rameshkumar More.

7. Our Promoters have confirmed to the Company and the Book Running Lead Manager that the Equity Shares held by them has been financed from their personal funds or their internal accruals, as the case may be, and no Loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.

9. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018 an aggregate of 20.00% of the post offer capital, held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of commencement of commercial production or date of allotment, whichever is later. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted their consents to include such number of Equity Shares held by them as may constitute 20.01% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

| Name | Date of allotment | Date when made fully paid up | No. of Shares | Face Value | Issue Price | Nature of Allotment | % of Post Issue Capital |
|----------------------------------|-------------------|------------------------------|---------------|------------|-------------|---------------------|-------------------------|
| M/s Shree M P J Cement Works LLP | July 28, 2023 | July 28, 2023 | 12,67,200 | 10 | Nil | Bonus Allotment | 20.01% |
| Total | | | | | | | 20.01% |

We further confirm that the aforesaid minimum Promoter's Contribution of 20.00% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.
- The Equity Shares held by the Promoter and offered for minimum Promoter's Contribution are not subject to pledge with any creditor.
- Equity shares issued to our Promoter on conversion of partnership firm or limited liability partnership into Private limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by the Promoters, as specified above, can be pledged as a collateral security for a loan granted by a schedule commercial bank or a public financial institution or a systematically important non-banking finance company or a housing finance company, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

The Equity Shares held by our Promoter may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the offer may be transferred to any other person (including promoter and promoter group) holding the equity shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, along with the equity shares proposed to be transferred, provided that lock-in on such equity shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended and in compliance with the Takeover Code, as applicable.

10. Details of share capital locked in for one year

In addition to minimum 20.00% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 238 (b) of SEBI (ICDR) Regulations, 2018, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

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 accordance with regulation 239 of SEBI (ICDR) Regulations, 2018, 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 transferees for the remaining period and compliance with the Takeover Regulations.

11. The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

A. Summary of Shareholding Pattern

| Category Code | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) | Number of locked in Shares** | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form | |
|---------------|--------------------------------|---------------------|---|--|--|------------------------|---|--|---------------|------------------|----------------|--|--|------------------------------|----------|--|----------|--|---------------------------------|
| | | | | | | | | As a % of (A+B+C2) | Equity Shares | Other Class | Total | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (B) | No. (a) | | As a % of total shares held (B) |
| | | | | | | | | | | | | | | | | | | | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | | XIII | | XIV | |
| (A) | Promoter and Promoter Group | 7 | 47,36,000 | - | - | 47,36,000 | 93.38% | 47,36,000 | - | 47,36,000 | 93.38% | - | - | - | - | - | - | 47,36,000 | |
| (B) | Public | 8 | 3,36,000 | - | - | 3,36,000 | 6.62% | 3,36,000 | - | 3,36,000 | 6.62% | - | - | - | - | - | - | 3,36,000 | |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | | 15 | 50,72,000 | - | - | 50,72,000 | 100.00% | 50,72,000 | - | 50,72,000 | 100.00% | - | - | - | - | - | - | 50,72,000 | |

B. Shareholding of our Promoter and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group. (Individuals and company)

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|-----------------------|-----------------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| Promoters | | | | | |
| 3) | M/s. Shree M P J Cement Works LLP | 31,39,000 | 61.89% | 26,17,400 | 41.33% |
| 4) | Mr. Abhishek Rameshkumar More | 7,90,500 | 15.59% | 7,90,500 | 12.48% |
| Total (A) | | 39,29,500 | 77.47% | 34,07,900 | 53.81% |
| Promoter Group | | | | | |
| 6) | Mr. Rohit Rameshkumar More | 7,90,500 | 15.59% | 7,90,500 | 12.48% |
| 7) | Mr. Rameshkumar More | 4,000 | 0.08% | 4,000 | 0.06% |
| 8) | Mrs. Prapti Abhishek More | 4,000 | 0.08% | 4,000 | 0.06% |
| 9) | Mrs. Jhumka Rohit More | 4,000 | 0.08% | 4,000 | 0.06% |
| 10) | M/s. Digikore Design LLP | 4,000 | 0.08% | 4,000 | 0.06% |
| Total (B) | | 8,06,500 | 15.90% | 8,06,500 | 12.74% |
| Total (A+B) | | 47,36,000 | 93.37% | 42,14,400 | 66.55% |

12. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-----------------------------------|--------------------|--------------------------------------|
| Mr. Abhishek Rameshkumar More | 7,90,500 | 0.02 |
| M/s. Shree M P J Cement Works LLP | 31,39,000 | 1.63 |

13. The List of the Shareholders of the Company holding 1.00% or more of the paid up share capital:

As on the date of this Draft Red Herring Prospectus

| Sr. No. | Name of the Shareholders | Number of Equity Shares | % of Pre-Issue Capital |
|--------------|--|-------------------------|------------------------|
| 1) | M/s. Shree M P J Cement Works LLP | 31,39,000 | 61.89% |
| 2) | Mr. Abhishek Rameshkumar More | 7,90,500 | 15.59% |
| 3) | Mr. Rohit Rameshkumar More | 7,90,500 | 15.59% |
| 4) | Nikhil Vora (HUF) | 1,22,400 | 2.41% |
| 5) | M/s. Squaricle Innovations Private Limited | 82,400 | 1.62% |
| 6) | Mrs. Priyanka Sharma | 55,200 | 1.09% |
| Total | | 49,80,000 | 98.19% |

Ten days prior to the date of this Draft Red Herring Prospectus

| Sr. No. | Name of the Shareholders | Number of Equity Shares | % of Pre-Issue Capital |
|--------------|--|-------------------------|------------------------|
| 1) | M/s. Shree M P J Cement Works LLP | 31,39,000 | 61.89% |
| 2) | Mr. Abhishek Rameshkumar More | 7,90,500 | 15.59% |
| 3) | Mr. Rohit Rameshkumar More | 7,90,500 | 15.59% |
| 4) | Nikhil Vora (HUF) | 1,22,400 | 2.41% |
| 5) | M/s. Squaricle Innovations Private Limited | 82,400 | 1.62% |
| 6) | Mrs. Priyanka Sharma | 55,200 | 1.09% |
| Total | | 49,80,000 | 98.19% |

One Year prior to the date of this Draft Red Herring Prospectus

| Sr. No. | Name of the Shareholders | Number of Equity Shares | % of Pre-Issue Capital |
|--------------|-----------------------------------|-------------------------|------------------------|
| 1) | M/s. Shree M P J Cement Works LLP | 7,84,750 | 66.28% |
| 2) | Mr. Abhishek Rameshkumar More | 1,99,125 | 16.82% |
| 3) | Mr. Rohit Rameshkumar More | 1,99,125 | 16.82% |
| Total | | 11,83,000 | 99.92% |

Two Years prior to the date of this Draft Red Herring Prospectus

| Sr. No. | Name of the Shareholders | Number of Equity Shares | % of Pre-Issue Capital |
|--------------|-----------------------------------|-------------------------|------------------------|
| 1) | M/s. Shree M P J Cement Works LLP | 7,84,750 | 66.28% |
| 2) | Umadevi More | 3,85,550 | 32.56% |
| Total | | 11,70,300 | 98.84% |

14. There is no "Buyback", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares offered through this Draft Red Herring Prospectus.
15. There are no safety net arrangements for this public offer.
16. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
17. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
18. Except, as otherwise disclosed in the chapter titled "Objects of the Offer" beginning on page 60 of this Draft Red Herring Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
19. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 255 of this Draft Red Herring Prospectus.
20. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
21. Except as mentioned below, our Company has not issued any Equity Shares at a price less than the Offer Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus:
 - a) The Company allotted 35,52,000 Equity Shares as Bonus Share of face value of ₹10 each in the ratio of 3:1 (Three) Equity Shares for every 1 (One) Equity Share as per the details given below:

| Sr. No. | Date of Allotment | Name of Allottees | No. of Equity Shares allotted | Face Value (₹) | Issue Price(₹) | Reason for Allotment |
|--------------|-------------------|-----------------------------------|-------------------------------|----------------|----------------|--------------------------------|
| 1. | July 28, 2023 | M/s. Shree M P J Cement Works LLP | 23,54,250 | 10 | NIL | Capitalization of Free Reserve |
| 2. | | Mr. Abhishek Rameshkumar More | 5,92,875 | 10 | | |
| 3. | | Mr. Rohit Rameshkumar More | 5,92,875 | 10 | | |
| 4. | | M/s. Digikore Designs LLP | 3,000 | 10 | | |
| 5. | | Mr. Ramesh Kumar More | 3,000 | 10 | | |
| 6. | | Mrs. Prapti Abhishek More | 3,000 | 10 | | |
| 7. | | Mrs. Jhumka Rohit More | 3,000 | 10 | | |
| Total | | | 35,52,000 | | | |

- b) The Company allotted 3,36,000 Equity Shares of face value of ₹10 each pursuant to preferential as per the details given below:

| Sr. No. | Date of Allotment | Name of Allottees | No. of Equity Shares allotted | Face Value (₹) | Issue Price(₹) | Reason for Allotment |
|--------------|-------------------|--|-------------------------------|----------------|----------------|------------------------|
| 1. | August 09, 2023 | Nikhil Vora (HUF) | 1,22,400 | 10 | 164 | Preferential Allotment |
| 2. | | M/s. Squaricle Innovations Private Limited | 82,400 | 10 | | |
| 3. | | Ms. Priyanka Sharma | 55,200 | 10 | | |
| 4. | | Mr. Mrinal Singh | 15,200 | 10 | | |
| 5. | | Mr. Vijay Khetan | 15,200 | 10 | | |
| 6. | | Mr. Pramod Kasat | 15,200 | 10 | | |
| 7. | | Mr. Vineet Sharma | 15,200 | 10 | | |
| 8. | | Mr. Sanjay Parwal | 15,200 | 10 | | |
| Total | | | 3,36,000 | | | |

22. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018, as amended from time to time.
23. Under subscription, if any, in any category, shall 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 National Stock Exchange.
24. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
25. The Issue is being made through Book Building Method.
26. As on date of filing of this Draft Red Herring Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Offer will be fully paid up.
27. On the date of filing of this Draft Red Herring Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
28. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
29. Book Running Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
30. Our Company has not revalued its assets since incorporation.
31. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
32. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
33. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
34. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Offer have been listed.

35. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Offer, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
36. Presently, our company have enabled the ESOP Scheme for employees through board meeting dated July 31, 2023. As on date, no options are granted to any Employee pursuant to this Scheme. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
37. An investor cannot make an application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
38. As per RBI regulations, OCBs are not allowed to participate in this Offer.
39. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters, Group companies and the Promoter Group between the date of filing the Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group for the financial years ended March 31,2023, March 31, 2022, and March 31, 2021 please refer Restated Financial Statement under the section titled, 'Restated Financial Statements' beginning on page 131 of this Draft Red Herring Prospectus.
42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled "Our Management" beginning on page 110 of this Draft Red Herring Prospectus.
43. Except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.
44. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
45. Our Company has Fifteen (15) shareholders as on the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue and Offer for Sale

Offer for Sale

The selling shareholder will be entitled to the proceeds of the Offer for Sale after deducting its respective proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

Requirements of Funds

Our Company proposes to utilize the Fresh Proceeds towards funding of the following objects

- 1) Funding Working Capital requirements
- 2) General Corporate Purposes
- 3) Offer Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

Utilization of Fresh Issue Proceeds

The proposed utilisation of the Fresh Issue Proceeds is set forth in the table below

(₹In lakhs)

| Sr. No. | Particulars | Amount |
|---------|--------------------------------------|--------|
| 1) | Funding Working Capital Requirements | [●] |
| 2) | General Corporate Purposes* | [●] |
| 3) | Offer Expenses | [●] |
| | Total | [●] |

*The amount to be utilized for general corporate purposes will not exceed 25.00% of the Fresh offer Proceeds.

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) and Clause 9 (C) of Part A of Schedule VI of SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75.00% of the stated means of finance, excluding the amount to be raised from the proposed public Issue or through existing identifiable internal accruals.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail

scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

Details of Utilization of Issue Proceeds

Working Capital Requirement

Basis of estimation of working capital requirement

Historical Working Capital Requirement on Restated Standalone Basis

(₹In lakhs)

| Particulars | 2020-21 | 2021-22 | 2022-23 | Jun-23 |
|--|---------------|----------------|-----------------|-----------------|
| | Restated | Restated | Restated | Restated |
| Current Asset (A) | | | | |
| (a) Trade Receivables | 280.62 | 139.49 | 598.72 | 1,023.43 |
| (b) Short-Term Loans and Advances | 89.40 | 109.98 | 267.04 | 278.14 |
| (c) Other Current Assets | 21.38 | 8.26 | 194.86 | 249.94 |
| Total Current Asset (A) | 391.39 | 257.72 | 1,060.61 | 1,551.51 |
| Current Liabilities (B) | | | | |
| (d) Trade Payables | 121.00 | 102.44 | 256.05 | 209.98 |
| (e) Other Current Liabilities | 18.28 | 132.52 | 213.84 | 150.11 |
| (f) Short Term Provisions | 38.68 | 33.88 | 201.11 | 320.46 |
| Total Current Liabilities (B) | 177.95 | 268.84 | 671.00 | 680.55 |
| Total Working Capital Requirement (C=A-B) | 213.44 | (11.12) | 389.61 | 870.96 |
| Working Capital Funding Pattern | | | | |
| Funded Through Borrowings & Internal Accruals | 213.44 | - | 389.61 | 870.96 |

Projected Working Capital Requirement

(₹In lakhs)

| Particulars | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|--|-----------------|-----------------|-----------------|-----------------|
| | Estimated | Estimated | Estimated | Estimated |
| Current Asset (A) | | | | |
| (a) Trade Receivables | 958.90 | 1,246.58 | 1,630.14 | 2,109.59 |
| (b) Short-Term Loans and Advances | 160.00 | 45.00 | 45.00 | 45.00 |
| (c) Other Current Assets | 342.47 | 445.21 | 582.19 | 753.42 |
| Total Current Asset (A) | 1,461.37 | 1,736.78 | 2,257.33 | 2,908.01 |
| Current Liabilities (B) | | | | |
| (d) Trade Payables | 143.32 | 182.72 | 230.30 | 287.24 |
| (e) Other Current Liabilities | 250.00 | 275.00 | 300.00 | 325.00 |
| (f) Short Term Provisions | 60.00 | 85.00 | 110.00 | 135.00 |
| Total Current Liabilities (B) | 453.32 | 542.72 | 640.30 | 747.24 |
| Total Working Capital Requirement (C=A-B) | 1,008.05 | 1,194.06 | 1,617.03 | 2,160.78 |
| Working Capital Funding Pattern | | | | |
| Funding From Short Term Borrowings | 465.00 | 465.00 | 465.00 | 465.00 |
| Balance Working Capital Requirement | 543.05 | 729.06 | 1,152.03 | 1,695.78 |

As per report dated August 23, 2023 issued by Sharad Shah & Company, Chartered Accountants.

The Statutory Auditor has provided no assurance or services related to any prospective financial information.

The Company has an incremental Working Capital Requirement of ₹1695.78 lakhs of which the Company proposes to utilize ₹ [●] lakhs from the Fresh Issue Proceeds towards funding our incremental working capital requirements.

Key assumptions for working capital projections made by our Company:

Holding levels

The details of the holding levels (with days rounded to the nearest whole number) for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the estimated holding levels (with days rounded to the nearest whole number) as projected for the financial years ended March 31, 2024, March 31, 2025, March 31, 2026 and March 31, 2027 are as under:

| Holding Levels (in days) for Past Three Financial Years as well as for Estimated Period | | | | | | | | |
|---|------------|------------|------------|-------------------|------------|-----------|-----------|-----------|
| Particulars | 2020-21 | 2021-22 | 2022-23 | April - June 2023 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| | Restated | Restated | Restated | Restated | Estimated | Estimated | Estimated | Estimated |
| Trade Receivables | 166 | 20 | 61 | 78 | 70 | 70 | 70 | 70 |
| Short-Term Loans and Advances | 53 | 16 | 27 | 21 | 12 | 3 | 2 | 1 |
| Other Current Assets | 13 | 1 | 20 | 19 | 25 | 25 | 25 | 25 |
| Total Current Asset | 232 | 38 | 109 | 118 | 107 | 98 | 97 | 96 |
| Trade Payables | 72 | 15 | 26 | 16 | 10 | 10 | 10 | 10 |
| Other Current Liabilities | 11 | 19 | 22 | 11 | 18 | 15 | 13 | 11 |
| Short Term Provisions | 23 | 5 | 21 | 24 | 4 | 5 | 5 | 4 |
| Total Current Liabilities | 106 | 39 | 69 | 52 | 33 | 30 | 27 | 25 |
| Net Working Capital Days | 127 | (2) | 40 | 66 | 74 | 67 | 69 | 72 |

Key Assumptions and Justification for holding levels and Working capital requirement

| Particulars | Assumptions and Justification |
|-------------------------------|---|
| Trade Receivables | The Company is in the business of providing VFX services to film producers, web series producer, TV serials and commercials ad producers. Considering huge demand of these services company is aiming substantial increase in the volumes. Major part of these revenues are come by way of exports. Based on the past experience the credit term with our customers generally are of 60 days. However owing to forex transactions the banking formalities take a few days in the credit of the remittances in the companies account. Again based on our past experience we have provided 10 days for this formalities that is how have considered a period of 70days for determining trade receivables. |
| Short-Term Loans and Advances | As measure of operational efficiency the company aims to keep minimum capital locked up in various components of loans and advances and accordingly the same has been considered in the computation of WC requirement. |
| Other Current Assets | Again, as a measure of operational efficiency the company aims to keep minimum capital locked up in various components of other current assets accordingly the same has been considered in the computation of WC requirement. |
| Trade Payables | In case of the company, the trade payable comprises of services availed by the company from service providers such as artists, vfx technicians, IT related hardware providers. Based on the past experience all these service providers are able to provide very low credit period, accordingly lower credit period from the service providers in computation of working capital assessment. |
| Other Current Liabilities | The amount of other current liabilities is based on the actual numbers of FY 2022-23, suitably projected in anticipation of increase in the volume of future liabilities. |
| Short Term Provisions | The amount of Short term provisions is based on the actuals of FY 2022-23 suitably incremented for expected increase in the future provisions. |

General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy the balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25.00% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations, 2018.

Our Company will have the flexibility in applying ₹ [●] Lakhs for general corporate purpose towards brand building exercises, financing normal capital expenditure, strategic initiatives, expanding into new geographies, preoperative expenses, funding routine working capital if any and strengthening our marketing capabilities. Our

Management, in accordance with the policies of our Board, will have the flexibility in utilizing the proceeds earmarked for general corporate purposes.

Offer Related Expenses

The expenses for this Offer include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Offer are estimated not to exceed ₹ [●] Lakhs.

(₹In lakhs)

| Expenses | Expenses (₹ in Lakh) | Expenses (% of Total Offer expenses) | Expenses (% of Gross Offer Proceeds) |
|---|-------------------------|--|--|
| Book Running Lead Manager Fees including Underwriting Commission | [●] | [●] | [●] |
| Fees Payable to Registrar to the Offer | [●] | [●] | [●] |
| Fees Payable Advertising, Marketing Expenses and Printing Expenses | [●] | [●] | [●] |
| Fees Payable to Regulators including Stock Exchanges and other Intermediaries | [●] | [●] | [●] |
| Fees payable to Peer Review Auditor | [●] | [●] | [●] |
| Fees Payable to Market Maker | [●] | [●] | [●] |
| Escrow Bank Fees | [●] | [●] | [●] |
| Total Estimated Offer Expenses | [●] | 100.00% | [●] |

Schedule of Implementation & Deployment of Funds

As estimated by our management, the entire proceeds from the Fresh Issue shall be utilized as follows:

(₹in Lakhs)

| Particulars | Total Funds | Amount incurred till FY 2023-24 | Estimated Balance deployment till FY 2024-25 | Estimated Balance deployment till FY 2025-26 | Estimated Balance deployment till FY 2026-27 |
|--------------------------------------|-------------|---------------------------------------|---|---|---|
| Funding Working Capital Requirements | [●] | [●] | [●] | [●] | [●] |
| General Corporate Purposes | [●] | [●] | [●] | [●] | [●] |
| Offer Expenses* | [●] | 5.73 | - | - | - |

*Sharad Shah & Company, Chartered Accountants, Statutory Auditor have vide certificate dated August 23, 2023, confirmed that the Company has incurred a sum of ₹5.73 lakhs towards offer expenses.

Note: The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer, subject to provisions of applicable laws. Our Board of Directors will monitor the proceeds of this Offer.

Means of Finance

The entire requirement of funds towards the Objects will be met from the Net Proceeds. Accordingly, as required under the SEBI ICDR Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75.00% of the stated means of finance, excluding the amount to be raised from the Net Proceeds or through existing identifiable internal accruals

Appraisal by Appraising Agency

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Interim Use of Funds

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the offer.

Bridge Financing Facilities

Our Company has not raised any bridge loans as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

Monitoring Utilization of Funds

As the Net Proceeds of the Issue will be less than ₹10,000 Lakhs, under Regulation 262 of SEBI (ICDR) Regulations, 2018 it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in 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 above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Special Tax Benefits

No special tax benefit is available to our Company and our shareholders under the applicable tax laws in India. For further details, please refer the “*Statement of Tax benefits*” on Page No. 73 of this Draft Red Herring Prospectus.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or company promoted by the Promoter, except as may be required in the usual course of business.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company and Selling Shareholder, in consultation with the Book Running Lead Manager on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10.00 each. Investors should refer to “Risk factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on Pages 21,84,131 and 167, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price are:

- State of the Art Technology
- Consistent track record of profitable growth due to a scalable business model
- Established and proven track record;
- Leveraging the experience of our Promoter;
- Experienced management team and motivated employees;
- Cordial relations with our customers.

For further details, refer to heading ‘*Our Strengths*’ under chapter titled ‘*Our Business*’ beginning on page 84 of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented below relating to the Company is based on the restated financial statements of the Company for the Financial Year March 31, 2021, March 31, 2022 and March 31, 2023 prepared in accordance with AS. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1) Basic Earnings per Share (EPS) as per Accounting Standard 20:

| Year ended | EPS (₹) | Weight |
|---|--------------|--------|
| March 31, 2021 | 0.15 | 1 |
| March 31, 2022 | 3.93 | 2 |
| March 31, 2023 | 36.95 | 3 |
| Weighted Average | 19.81 | |
| June 30, 2023 <i>Not Annualised</i> | 23.62 | |

Note: The EPS has been computed by dividing net profit as restated in financials, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹[●]per Equity Share of face value of ₹10 each.

| Particulars | P/E at Floor Price | P/E at Cap Price |
|---|--------------------|------------------|
| P/E ratio based on Basic EPS for FY 2022-23 | [●] | [●] |
| P/E ratio based on Weighted Average EPS | [●] | [●] |

3) Average Return on Net worth (RoNW) for the preceding three years.

| Year ended | RoNW (%) | Weight |
|---|---------------|--------|
| March 31, 2021 | 1.69% | 1 |
| March 31, 2022 | 30.32% | 2 |
| March 31, 2023 | 74.03% | 3 |
| Weighted Average | 47.40% | |
| June 30, 2023 <i>Not Annualised</i> | 32.12% | |

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

4) Net Asset Value (NAV)

(Amount in ₹)

| Particulars | Amount (Rs.) |
|--------------------------|--------------|
| As at March 31, 2023 | 49.91 |
| For period June 30, 2023 | 73.53 |
| After the Issue | |
| - At the Floor Price | ● |
| -At the Cap Price | ● |
| -At Offer Price | ● |

*NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares.

5) Comparison with other listed Company/Industry peers

| Companies | Face Value (₹) | Sales (₹ in Cr.) | PAT (₹ in Cr.) | EPS (₹) | P/E Ratio | CMP (₹) |
|---------------------------------|----------------|------------------|----------------|---------|-----------|---------|
| Digikore Studios Limited | 10.00 | 3555.83 | 437.46 | 36.95 | - | - |
| Peer Groups:* | | | | | | |
| Phantom Digital Effects Limited | 10.00 | 5,873.86 | 1,619.56 | 15.97 | 33.25 | 561.20 |
| Prime Focus Limited | 1.00 | 8,137.60 | (2,446.06) | (0.82) | (106.95) | 90.20 |

*Source for Peer Group information: www.nseindia.com

- ✓ The figures of Our Company are based on the restated standalone financial results for the year ended March 31, 2023.
- ✓ The figures for the Peer group are based on audited results for the Financial Year ended March 31, 2023.
- ✓ Current Market Price (CMP) is the closing prices of respective scrips as on August 25, 2023.

The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholder in consultation with the Book Running Lead Manager, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

For further details, see “Risk factors” beginning on page no. 21 of this Draft Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the “Financials Statements” beginning on page no. 131 of this Draft Red Herring Prospectus.

6) Key Performance Indicators

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 23, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs herein have been certified by M/S. Sharad Shah & Company, Chartered Accountants, by their certificate dated August 24, 2023. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations 2018.

(Rs. In lakhs)

| Key Financial Performance | June 20, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|----------------------------|---------------|----------------|----------------|----------------|
| Revenue from Operations(1) | 1182.68 | 3,443.98 | 2,488.18 | 487.32 |
| EBITDA (2) | 440.48 | 748.08 | 236.18 | 101.54 |
| EBITDA Margin (3) | 37.23% | 21.04% | 9.49% | 16.50% |
| PAT | 279.65 | 437.46 | 46.54 | 1.80 |
| PAT Margin (4) | 23.65% | 12.30% | 1.87% | 0.29% |

Notes:

- (1) Revenue from operation means revenue from sales.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

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

Explanation for KPI metrics

| Key Financial Performance | Explanations |
|---------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business |
| PAT Margin | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |

1. Key Performance Indicator Based on Restated Standalone Financials:

(Rs. In Lakhs)

| Particulars | FY23 | FY22 | FY21 |
|--------------------------------------|----------|----------|---------|
| Revenue from Operations ¹ | 3,443.98 | 2,488.18 | 487.32 |
| Total Revenue ² | 3,555.83 | 2,488.39 | 615.53 |
| EBITDA | 748.08 | 236.18 | 101.54 |
| EBIT | 644.28 | 144.29 | 75.82 |
| EBT | 572.81 | 104.40 | 2.62 |
| PAT | 437.46 | 46.54 | 1.80 |
| EBITDA Margin ³ | 21.04% | 9.49% | 16.50% |
| EBIT Margin ⁴ | 18.12% | 5.80% | 12.32% |
| EBT Margin ⁵ | 16.11% | 4.20% | 0.43% |
| PAT Margin ⁶ | 12.30% | 1.87% | 0.29% |
| Share Capital | 118.40 | 118.40 | 118.40 |
| Reserves & Surplus | 472.54 | 35.08 | (11.46) |
| Net Worth | 590.94 | 153.48 | 106.94 |
| Short Term Borrowing | 499.98 | 306.92 | 330.91 |
| Long Term Borrowing | 107.63 | 42.54 | 167.86 |
| Total Borrowing | 607.61 | 349.46 | 498.77 |
| Debt / Equity ⁷ | 1.03 | 2.28 | 4.66 |
| RoE ⁸ | 74.03% | 30.32% | 1.68% |
| RoCE ⁹ | 92.23% | 73.61% | 27.59% |
| Net Debt / EBITDA ¹⁰ | 0.81 | 1.47 | 4.89 |
| Current Ratio ¹¹ | 0.91 | 0.45 | 0.77 |
| NAV | 49.91 | 12.96 | 9.03 |
| Cash & Equivalents | 1.19 | 1.17 | 2.56 |
| Current Assets | 1,061.81 | 258.90 | 393.97 |
| Current Liabilities | 1,170.98 | 575.76 | 508.87 |

Explanation for Key Performance Indicators

- Revenue from operations refers to revenue from sales of product and services and other operating income.
- Total Revenue refers to Revenue from operations plus Other Income.
- EBITDA Margin is an indicator to measure efficiency of generating core profitability of company.
- EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
- EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
- PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
- Debt / Equity ratio measures leverage of company, it is also a measure of capital structure that provides relative proportion of Shareholders equity and debt used to finance the assets of company.
- RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
- RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generates the returns against the capital it put to use.
- Net Debt / EBITDA ratio is a financial leverage metric used to measure a company's ability to pay off its debt obligations with available earning. It is also used as proxy for payback period assuming the company operates at current level to become debt-free.

11. Current Ratio indicates the short term liquidity and measures the ability of the company to pay off its short term obligations.

2. Breakup of Revenue

(Rs in Lakhs)

| Particulars | FY23 | FY22 | FY21 |
|-------------------------------------|-----------------|-----------------|---------------|
| Sales of Product | - | - | - |
| Sales of Services | 3,429.50 | 2,488.18 | 487.32 |
| Other Operating Income | 14.48 | - | - |
| Total Revenue from Operation | 3,443.98 | 2,488.18 | 487.32 |
| Other Income | 111.85 | 0.21 | 128.21 |
| Total Revenue | 3,555.83 | 2,488.39 | 615.53 |

(Rs in Lakhs)

| Revenue Breakup as % of Total Revenue | FY23 | FY22 | FY21 |
|---------------------------------------|--------|--------|--------|
| Sales of Product | - | - | - |
| Sales of Services | 96.45% | 99.99% | 79.17% |
| Other Operating Income | 0.41% | 0.00% | 0.00% |
| Other Income | 3.15% | 0.01% | 20.83% |

Weighted average cost of acquisition

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

There has been no issuance of Equity Shares, other than Bonus issue on July 28, 2023 and Preferential issue on August 09, 2023 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))

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 promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction)

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

| Date of Allotment | No. of Equity Shares allotted | Face Value (Rs) | Issue Price (Rs) | Nature of Consideration | Nature of Allotment | Total Consideration(Rs in lakhs) |
|-------------------|-------------------------------|-----------------|------------------|-------------------------|---------------------|----------------------------------|
| June 28, 2023 | 35,52,000 | 10/- | Nil | Other Than Cash | Bonus Issue | Nil |
| August 09, 2023 | 3,36,000 | 10/- | 164 | Cash | Preferential Issue | 551.04 |

Secondary Transactions:

Except as disclosed below, no equity shares have been acquired in the immediately preceding three years by our Promoters, members of the Promoter Group and / or the Selling Shareholders.

| Sr. No. | Name of Shareholder | Date of Allotment /Transfer | Promoter /Promoter Group/Director | Number of Equity Shares Subscribed to/ Acquired | Number of Equity Shares Sold | Face Value(₹) | Issue Price /Transfer Price(₹) | Subscribed/Acquired/Transferred |
|-----------------------|--------------------------------|-----------------------------|-----------------------------------|---|------------------------------|---------------|--------------------------------|---------------------------------|
| Promoter | | | | | | | | |
| 1. | Mr. Abhishek Ramesh Kumar More | 06.09.2021 | Promoter | 1,92,775 | - | 10 | - | Acquired |
| | | 17.04.2023 | | - | 1,500 | 10 | - | Sale |
| Promoter Group | | | | | | | | |
| 1. | Mrs. Prapti Abhishek More | 17.04.2023 | Promoter Group | 1,000 | - | | | Acquired |
| 2. | Mr. Rohit Ramesh Kumar More | 06.09.2021 | Promoter Group | 1,92,775 | - | 10 | - | Acquired |
| | | 17.04.2023 | | - | 1,500 | 10 | - | Sale |
| 3. | Mr. Ramesh Kumra More | 17.04.2023 | Promoter Group | 1,000 | | | | Acquired |
| 4. | Mrs. Jhumka Rohit More | 17.04.2023 | Promoter Group | 1000 | | | | Acquired |
| 5. | M/s. Digikore Designs LLP | 17.04.2023 | Promoter Group | 1000 | | | | Acquired |
| 6. | M/s. Waluj Beverages LLP | 17.04.2023 | Promoter Group | - | 1000 | | | Sale |

There has been no compulsory convertible preference shares have been acquired in the immediately preceding three years by our Promoters, members of the Promoter Group and / or the Selling Shareholders.

| Sr. No. | Name of Shareholder | Date of Allotment / Transfer | Promoter/ Promoter Group/Director | Number of Compulsory Convertible Preference Shares Subscribed to/Acquired | Number of Compulsory Convertible Preference Shares Sold | Face Value (₹) | Issue Price/Transfer Price(₹) | Subscribed /Acquired/Transferred |
|---------|---------------------|------------------------------|-----------------------------------|---|---|----------------|-------------------------------|----------------------------------|
| NIL | | | | | | | | |

Weighted average cost of acquisition, floor price and cap price

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Shares) |
|---|--|
| Weighted average cost of acquisition of primary / new issue as per paragraph 6(a) above. | 14.87* |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 6(b) above. | NA** |
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 6(c) above. | - |

Note: * There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on July 28, 2023 and Preferential issue on August 09, 2023 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.

** There were secondary sales / acquisition of shares as a gift during last three years from the date of this Draft Red Herring Prospectus.

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

Fiscal 2022-23

(Rs in Lakhs)

| Particulars | Digikore Studios Ltd | Peer | |
|-------------------------|----------------------|------------------------------|------------------|
| | | Phantom Digital Effects Ltd. | Prime Focus Ltd. |
| Revenue from Operations | 3,443.98 | 5,789.43 | 4,074.21 |
| Total Revenue | 3,555.83 | 5,873.86 | 8,137.60 |
| EBITDA | 748.08 | 2,347.88 | 4,269.34 |
| EBIT | 644.28 | 2,232.47 | 1,003.80 |
| EBT | 572.81 | 2,177.58 | (1,391.50) |
| PAT | 437.46 | 1,619.56 | (2,446.06) |
| <i>EBITDA Margin</i> | 21.04% | 39.97% | 52.46% |
| <i>EBIT Margin</i> | 18.12% | 38.01% | 12.34% |
| <i>EBT Margin</i> | 16.11% | 37.07% | -17.10% |
| <i>PAT Margin</i> | 12.30% | 27.57% | -30.06% |
| Share Capital | 118.40 | 1,164.00 | 2,995.37 |
| Reserves & Surplus | 472.54 | 3,256.92 | 153,761.54 |
| Net Worth | 590.94 | 4,420.92 | 156,756.91 |
| Short Term Borrowing | 499.98 | 574.08 | - |
| Long Term Borrowing | 107.63 | 155.02 | 20,000.00 |
| Total Borrowing | 607.61 | 729.10 | 20,000.00 |
| Debt / Equity | 1.03 | 0.16 | 0.13 |
| RoE | 74.03% | 36.63% | -1.56% |
| RoCE | 92.23% | 48.79% | 0.57% |
| Net Debt / EBITDA | 0.81 | 0.14 | 4.66 |
| Current Ratio | 0.91 | 3.00 | 6.99 |
| NAV | 49.91 | 37.98 | 52.33 |
| Cash & Equivalents | 1.19 | 405.87 | 124.90 |
| Current Assets | 1,061.81 | 5,010.94 | 49,500.70 |
| Current Liabilities | 1,170.98 | 1,673.05 | 7,084.40 |

Fiscal 2021-22

(Rs in Lakhs)

| Particulars | Digikore Studios Ltd | Peer | |
|-------------------------|----------------------|------------------------------|------------------|
| | | Phantom Digital Effects Ltd. | Prime Focus Ltd. |
| Revenue from Operations | 2,488.18 | 2,233.27 | 10,251.34 |
| Total Revenue | 2,488.39 | 2,236.60 | 19,356.31 |
| EBITDA | 236.18 | 749.88 | 13,565.27 |
| EBIT | 144.29 | 721.32 | 7,276.98 |
| EBT | 104.40 | 655.11 | 29,069.44 |
| PAT | 46.54 | 490.33 | 29,069.44 |
| <i>EBITDA Margin</i> | 9.49% | 33.53% | 70.08% |
| <i>EBIT Margin</i> | 5.80% | 32.25% | 37.59% |
| <i>EBT Margin</i> | 4.20% | 29.29% | 150.18% |
| <i>PAT Margin</i> | 1.87% | 21.92% | 150.18% |
| Share Capital | 118.40 | 1.00 | 2,995.37 |
| Reserves & Surplus | 35.08 | 524.65 | 155,255.32 |
| Net Worth | 153.48 | 525.65 | 158,250.69 |
| Short Term Borrowing | 306.92 | 191.41 | - |
| Long Term Borrowing | 42.54 | 76.66 | 23,095.00 |
| Total Borrowing | 349.46 | 268.07 | 23,095.00 |
| Debt / Equity | 2.28 | 0.51 | 0.15 |
| RoE | 30.32% | 93.28% | 18.37% |
| RoCE | 73.61% | 119.76% | 4.01% |
| Net Debt / EBITDA | 1.47 | 0.13 | 1.65 |
| Current Ratio | 0.45 | 1.56 | 5.45 |
| NAV | 12.96 | 5,256.50 | 52.83 |
| Cash & Equivalents | 1.17 | 167.45 | 676.30 |
| Current Assets | 258.90 | 1,328.66 | 94,054.57 |
| Current Liabilities | 575.76 | 850.59 | 17,249.70 |

Fiscal 2020-21

(Rs in Lakhs)

| Particulars | Digikore Studios Ltd | Peer | |
|-------------------------|----------------------|------------------------------|------------------|
| | | Phantom Digital Effects Ltd. | Prime Focus Ltd. |
| Revenue from Operations | 487.32 | 676.44 | 6,205.55 |
| Total Revenue | 615.53 | 715.41 | 20,066.46 |
| EBITDA | 101.54 | 71.02 | 15,205.09 |
| EBIT | 75.82 | 31.94 | 8,566.67 |
| EBT | 2.62 | 2.18 | 2,649.51 |
| PAT | 1.80 | 7.51 | 2,949.51 |
| <i>EBITDA Margin</i> | 16.50% | 9.93% | 75.77% |
| <i>EBIT Margin</i> | 12.32% | 4.46% | 42.69% |
| <i>EBT Margin</i> | 0.43% | 0.30% | 13.20% |
| <i>PAT Margin</i> | 0.29% | 1.05% | 14.70% |
| Share Capital | 118.40 | 1.00 | 2,992.49 |
| Reserves & Surplus | (11.46) | 34.32 | 126,090.91 |
| Net Worth | 106.94 | 35.32 | 129,083.40 |
| Short Term Borrowing | 330.91 | 62.13 | 2,855.70 |
| Long Term Borrowing | 167.86 | 323.12 | 22,101.82 |
| Total Borrowing | 498.77 | 385.25 | 24,957.52 |
| Debt / Equity | 4.66 | 10.91 | 0.19 |
| RoE | 1.68% | 21.26% | 2.28% |
| RoCE | 27.59% | 8.91% | 5.67% |
| Net Debt / EBITDA | 4.89 | 4.72 | 1.48 |
| Current Ratio | 0.77 | 1.83 | 2.74 |
| NAV | 9.03 | 353.20 | 43.14 |
| Cash & Equivalents | 2.56 | 50.36 | 2,398.22 |
| Current Assets | 393.97 | 607.54 | 60,103.98 |
| Current Liabilities | 508.87 | 332.75 | 21,921.78 |

Comparison of Accounting Ratios with listed Industry Peers

We believe that there are listed Companies as mentioned below in India which are focused exclusively on the segment in which we operate.

| Particulars | Digikore Studios Ltd | Phantom Digital Effects Ltd. | Prime Focus Ltd. |
|-------------------|----------------------|------------------------------|------------------|
| Face value | 10.00 | 10.00 | 1.00 |
| P/E* | - | 41.14 | (109.23) |
| P/BV* | - | 15.07 | 1.70 |
| Net Debt / EBITDA | 0.81 | 0.14 | 4.66 |
| Debt / Equity | 1.03 | 0.16 | 0.13 |
| Current Ratio | 0.91 | 3.00 | 6.99 |
| RoE | 74.03% | 36.63% | -1.56% |
| RoCE | 92.23% | 48.79% | 0.57% |

Notes:

- EBITDA (Earning Before Interest, Tax, Depreciation and Amortisation) is calculated as sum of Profit Before Tax, Finance Cost & Depreciation and Amortization
- EBIT (Earning Before Interest & Tax) is calculated as EBITDA less Depreciation
- EBT (Earning Before Tax) is calculated as EBIT less Finance Cost
- PAT (Profit After Tax) is calculated as EBT less Tax
- EBITDA Margin is calculated as EBITDA divided by Total Revenue
- EBIT Margin is calculated as EBIT divided by Total Revenue
- EBT Margin is calculated as EBT divided by Total Revenue
- PAT Margin is calculated as PAT divided by Total Revenue
- Net Worth or Total Equity or Shareholders Fund is calculated as Share Capital plus Reserves & Surplus/Other Equity

- j) Debt / Equity is calculated as Total Debt (Short Term + Long Term Borrowing) divided by Equity (Net Worth)
- k) Capital Employed is calculated as Net Worth plus Long Term Borrowings
- l) RoE (Return on Equity) is calculated as PAT divided by Networth
- m) RoCE (Return on Capital Employed) is calculated as EBIT divided by Capital Employed
- n) Net Debt is calculated as sum of Short Term and Long Term borrowings less Cash & Equivalents
- o) Current ratio is calculated as Current Assets divided by Current Liabilities
- p) NAV or BV (Net Asset Value or Book Value Per Share) is calculated as Networth divided by Total Outstanding
- q) number of shares
- r) P/E is calculated as market capitalisation divided by PAT
- s) P/BV is calculated as market capitalisation divided by Net Worth

STATEMENT OF TAX BENEFITS

Statement of Special Tax Benefits available to the Company and its shareholders

To,
The Board of Directors
Digikore Studios Limited
(Formerly known as Digikore Studios Private Limited)
C/o Poona Bottling Company Private Limited.,
410/1, 411/2, Mumbai Pune Road,
Dapodi, Pune-411012

Sub : Statement of Special Tax Benefits (“Statement”) available to Digikore Studios Limited (“Company”) and its shareholders prepared in accordance with the requirement in Schedule VI of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018 (“The Regulation”).

We refer to the proposed offer of the shares of **Digikore Studios Limited**, formerly known as Digikore Studios Private Limited (‘Company’). We enclose herewith the statement showing the special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’), as applicable to the Assessment Year 2023-24 relevant to the Financial Year 2022-23 for inclusion in the Draft Red Herring Prospectus(“**Offer Document**”) for the proposed offer of shares.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-Tax Act, 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits are dependent upon their fulfilling such conditions, which is based on the business imperatives, the company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to specific tax implications arising out of participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- the Company or its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- the revenue authorizes/courts will concur with the views expressed herein.

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DIGIKORE STUDIOS LIMITED (“COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 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.

1. Special Direct & Indirect Tax Benefits available to the Company

There are no special direct & indirect tax benefits available to the Company.

2. Special Direct & Indirect Tax Benefits available to the shareholders of the Company

There are no special direct & indirect tax benefits available to the shareholders of the Company.

Notes:

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

You should consult your own Tax Advisors concerning the Indian Tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

**For Sharad Shah & Co.
Chartered Accountants
Firm Reg. No. 109931W**

**Sd/-
Sunil Kadam
Partner
Membership No. 042756**

**Date: August 23, 2023
Place: Pune**

SECTION V-ABOUT THE COMPANY

OUR INDUSTRY

Introduction:

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.38 billion people, and the most populous democracy in the world. India boasts of an immensely rich cultural heritage, including numerous languages, traditions, and people. The country holds its uniqueness in its diversity, and hence has adapted itself to international changes with poise and comfort. While the economy has welcomed international companies to invest in it with open arms since liberalisation in the 1990s, Indians have been prudent and proactive in adopting global approaches and skills. Indian villagers have proudly taken up farming, advanced agriculture and unique handicrafts as their profession on one hand, while the modern industries and professional services sectors are coming up in a big way on the other.

The Indian economy has proven to be remarkably resilient in the face of the deteriorating global situation due to the strong macroeconomic fundamentals that place it well ahead of other emerging market economies. There was no dearth of headwinds throughout the year, which impacted India's path to economic recovery. The year began with the threat of the Omicron variant of the coronavirus. Fortunately, the threat subsided fairly quickly, without impacting the economy in any significant way. The only problem was that this headwind was replaced by Russia's invasion of Ukraine in mid-February, leading to further disruptions in the global supply chain. The next development to impact the economy was the decision of several major central banks, especially the US Federal Reserve, to reverse their loose monetary policy stance. The ripple effect of the policy-tightening measures was felt worldwide. The RBI wasn't too far behind in tightening its stance either, with the first interest rate hike being announced in May 2022.

In FY2022-23, Indian economy has emerged as world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP).

Key Economic Indicator:

National Income:

As per first estimates of Gross Domestic Product (GDP) for FY2022-23, GDP is reported at Rs 160.06 Lakh crore as compared to Rs 149.25 lakh crore in FY2021-22, grown by 7.2% as compared to 9.1% in FY2021--22. Gross Value added for (GVA) has registered the growth of 7.0% in FY2022-23, GVA is reported at Rs 147.65 lakh crore as compared to Rs 137.98 Lakh crore in FY2021-22.

In the component of GVA for FY2022-23, as result of pandemic and the its impact on the economy, Agriculture, Forestry & Fishing grown by 4.0%, Mining & Quarrying surged by 4.6%, Manufacturing was up by 1.3%, Electricity, Gas, Water Supply and Other Utility Services grown by 9.0%, Construction grown by 10.0%, Trade, Hotels, Transport, Communication and Services Related to Broadcast grown by 14.0%, Financial, Real Estate and Professional Services surged by 7.1%, Public Administration, Defence and Other Services saw a negative growth of 7.2%.

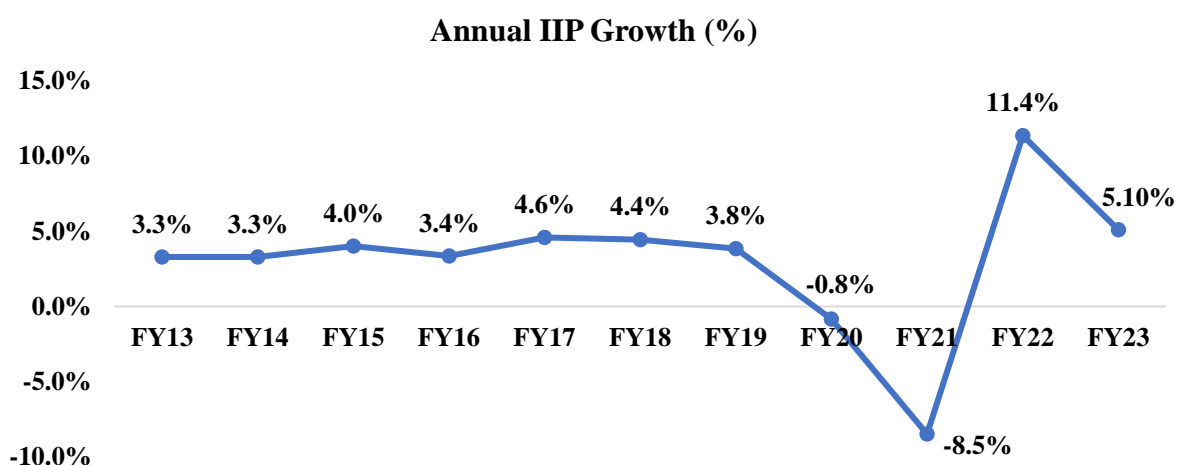
| Component of GVA (Annual) | FY22 | FY23 | Growth YoY |
|--|---------------|---------------|-------------|
| Agriculture, Forestry & Fishing | 21.49 | 22.34 | 4.0% |
| Mining & Quarrying | 3.10 | 3.25 | 4.6% |
| Manufacturing | 25.82 | 26.17 | 1.3% |
| Electricity, Gas, Water Supply and Other Utility Services | 3.16 | 3.44 | 9.0% |
| Construction | 11.29 | 12.42 | 10.0% |
| Trade, Hotels, Transport, Communication and Services Related to Broadcasting | 24.56 | 28.00 | 14.0% |
| Financial, Real Estate and Professional Services | 30.99 | 33.20 | 7.1% |
| Public Administration, Defence and Other Services | 17.55 | 18.82 | 7.2% |
| GVA (Gross Value Added) | 137.98 | 147.65 | 7.0% |

Gross value added for Q4FY23 is reported at Rs 39.79 lakh cr as compared to Rs 37.37 lakh cr in Q4FY22, showing growth of 6.48% year on year basis.

| Component of GVA (Quarter) | Q4FY22 | Q4FY23 | Growth YoY |
|--|--------------|--------------|--------------|
| Agriculture, Forestry & Fishing | 5.76 | 6.07 | 5.47% |
| Mining & Quarrying | 0.94 | 0.98 | 4.33% |
| Manufacturing | 7.06 | 7.38 | 4.50% |
| Electricity, Gas, Water Supply and Other Utility Services | 0.80 | 0.85 | 6.85% |
| Construction | 3.55 | 3.92 | 10.39% |
| Trade, Hotels, Transport, Communication and Services Related to Broadcasting | 7.43 | 8.10 | 9.06% |
| Financial, Real Estate and Professional Services | 7.10 | 7.61 | 7.11% |
| Public Administration, Defence and Other Services | 4.73 | 4.88 | 3.12% |
| GVA (Gross Value Added) | 37.37 | 39.79 | 6.48% |

Industrial Production:

Index of Industrial Production (IIP) for FY2022-23 stood at 138.6 compared to 131.6 in FY2021-22, showing the surge of 5.1% compared to the previous year. In FY2021-22 IIP rose by 11.4% due to lower base effect. As per Used Based Classification, Primary goods grew by 7.40%, Capital Goods grew by 12.90%, Intermediate goods grew by 3.70%, Infrastructure and Construction Goods grew by 8.0%, Consumer Durables surged by 0.50%, and Consumer Non-Durables grew by 0.50% in FY2022-23 compared to FY2021-22.



Inflation:

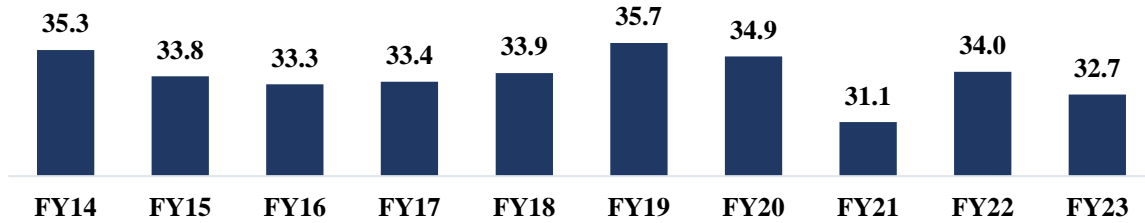
Consumer Price Index (CPI) which measures the retail Inflation in the economy, grew at 6.7% in FY2022-23 compared to 5.5% in FY2021-22.

Wholesale Price Index (WPI) rose to 152.3 level for the FY2022-23 compared to 139.4 in FY2021-22, showing the surge of 9.2% in wholesale inflation.

Gross Fixed Capital Formation:

Gross Fixed Capital Formation (GFCF) for the financial year FY2022-23, reported at Rs 54.35 lakh crore as compared to Rs 48.79 lakh crore in FY2021-22. As a percent of GDP it was reported at 34.0% of FY23 GDP which was 32.7% of the GDP in FY22.

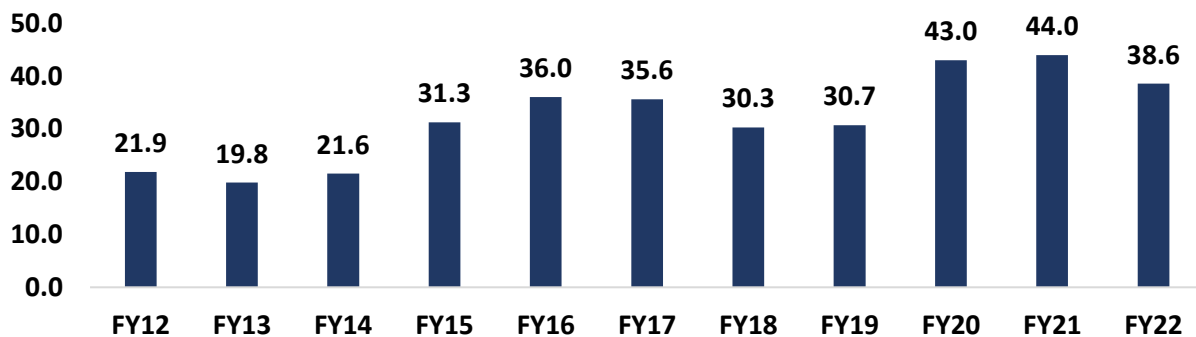
Gross Fixed Capital Formation as % of GDP



FDI Inflows:

During the financial year FY2021-22, India has received the net FDI of \$ 38.6 billion as compared to \$ 44.0 billion in FY2020-21. FDI in FY22 registered the growth of -12.2% compared to 29% in FY20. On cumulative basis, from FY12 to FY20 India has received the total FDI of \$ 406.7 billion. FDI flow for H1FY22 is \$ 30.46 bn compared to \$ 29.18 bn in the same period last year.

Net FDI in Rs billion



Source: RB, MOSPI, IBEF

Global Economic Overview:

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia’s unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% this year and 4.9% in 2024. Inflation is much stickier than anticipated even a few months ago. While global inflation has declined, that reflects mostly the sharp reversal in energy and food prices. But core inflation, excluding the volatile energy and food components, has not yet peaked in many countries.

Growth Outlook:

Tentative signs in early 2023 that the world economy could achieve a soft landing with inflation coming down and growth steady have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before rising slowly and settling at 3.0% five years out the lowest medium-term forecast in decades. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5% in 2023 the weakest growth since the global downturn.

| World Economic Outlook Jan 2023 | Projection | | |
|---|------------|------------|------------|
| | 2022 | 2023 | 2024 |
| World Output | 3.4 | 2.8 | 3.0 |
| Advanced Economies | 2.7 | 1.3 | 1.4 |
| United States | 2.1 | 1.6 | 1.1 |
| Euro Area | 3.5 | 0.8 | 1.4 |
| Germany | 1.8 | -0.1 | 1.1 |
| France | 2.6 | 0.7 | 1.3 |
| Italy | 3.7 | 0.7 | 0.8 |
| Spain | 5.5 | 1.5 | 2.0 |
| Japan | 1.1 | 1.3 | 1.0 |
| United Kingdom | 4.0 | -0.3 | 1.0 |
| Canada | 3.4 | 1.5 | 1.5 |
| Other Advanced Economies | 2.6 | 0.8 | 2.2 |
| Emerging Market and Developing Economies | 4.0 | 3.9 | 4.2 |
| Emerging and Developing Asia | 4.4 | 5.3 | 5.1 |
| China | 3.0 | 5.2 | 4.5 |
| India | 6.8 | 5.9 | 6.3 |
| Emerging and Developing Europe | 0.8 | 1.2 | 2.5 |
| Russia | -2.1 | 0.7 | 1.3 |
| Latin America and the Caribbean | 4.0 | 1.6 | 2.2 |
| Brazil | 2.9 | 0.9 | 1.5 |
| Mexico | 3.1 | 1.8 | 1.6 |
| Middle East and Central Asia | 5.3 | 2.9 | 3.5 |
| Saudi Arabia | 8.7 | 3.1 | 3.1 |
| Sub-Saharan Africa | 3.9 | 3.6 | 4.2 |
| Nigeria | 3.3 | 3.2 | 3.0 |
| South Africa | 2.0 | 0.1 | 1.8 |
| Emerging Market and Developing Economies | 3.9 | 3.9 | 4.0 |
| Low Income Developing Countries | 5.0 | 4.7 | 5.4 |

Source: IMF-World Economic Outlook April 2023

Indian Media & Entertainment Industry

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. The increasing availability of fast and cheap internet, rising incomes, and increasing purchases of consumer durables have significantly aided the industry. India's media and entertainment industry are unique as compared to other markets. The industry is well known for its extremely high volumes and rising Average Revenue Per User (ARPU).

This significantly aided the country's industry and made India leading in terms of digital adoption and provided companies with uninterrupted rich data to understand their customers better. India has also experienced growing opportunities in the VFX sector as the focus shifted globally to India as a preferred content creator.

India's Media and entertainment Industry is expected to reach Rs. 4,30,401 crores (US\$ 53.99 billion) by 2026. Advertising revenue in India is projected to reach Rs. 394 billion (US\$ 5.42 billion) by 2024. Television would account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and the OTT and gaming industries (8%).

In FY20, digital and online added revenue stood at Rs. 26 billion in the M&E sector and their contribution to the sector increased to 23% in 2020 from 16% in 2019. Between 2019 and 2024, these segments are expected to witness growth as follows, Digital media (CAGR 20%), Animation and VFX (47%), Online gaming (23.07%) and the OOH (39.08%).

Within the M&E sector, Animation, Visual Effects, Gaming and Comic (AVGC) sector is growing at a rate of ~29%, while the audio-visual sector and services is rising at the rate ~25%; is recognised as one of the champion sectors by the Government of India. The AVGC sector is estimated to grow at ~9% to reach ~Rs. 3 lakh crore (US\$ 43.93 billion) by 2024.

India's subscription revenue is projected to reach Rs. 940 billion (US\$ 13.34 billion) in 2023, from Rs. 631 billion (US\$ 8.95 billion) in 2020. According to BCG, India's SVOD subscriptions is expected to increase by 51% as compared to 2019 and is estimated to reach 90-100 million by 2022. digital advertising industry is expected to grow to Rs. 23,673 crore (US\$ 3.09 billion) in 2022 from Rs. 18,938 crore (US\$ 2.47 billion) in 2021.

As of 2020, India registered ~803 million online video viewers, including streaming services and videos on free platforms such as YouTube. Mobile video viewers stood at 356 million in 2020, driven by rising number of users preferring video content over the last few years.

OTT video services market (video-on-demand and live) in India is likely to post a CAGR of 29.52% to reach US\$ 5.12 billion by FY26, driven by rapid developments in online platforms and increased demand for quality content among users.

Rising online video subscription market in India

India's Subscription Video on Demand (SVOD) subscriptions reached 130.2 million in 2022 compared to 110.5 million in 2021. In 2022, Disney+ Hotstar led the Indian SVOD market, with 50% share in the total market. The Disney-owned OTT platform's subscribed base declined 6% quarter-on-quarter to 57.7 million as on December 31, 2022. Disney+ Hotstar was followed by Eros Now, with 24% share, and Amazon Prime Video with 9% share.

In 2020, Netflix was the fourth leading platform in India, with 7% share and 4.4 million subscriber base.

By 2030, India's over-the-top (OTT) entertainment industry will be worth US\$ 15 billion.

Gaming and digital advertising on high growth phase

Animation & VFX, online gaming and Out of Home (OOH) are emerging as the fastest-growing segments. Between 2019 and 2024, these segments are expected to witness growth:

- Digital media (CAGR 20%)
- Animation and VFX (47%)
- Online gaming (23.07%)
- OOH (39.08%)

The online gaming market in India is projected to reach US\$ 1.99 billion by 2024. In 2020, India's mobile gaming segment registered a market size of US\$ 1.2 billion and is expected to increase at CAGR of 6.1% by 2025. The country posted average revenue of US\$ 8.8 per user, with user penetration rate of 10.1%.

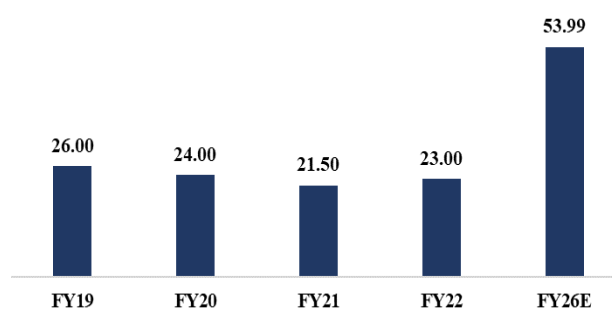
OTT Gaining post Digitisation

Growing mobile and smartphone penetration has boosted adaptation of online video viewing in India. By 2025, the number of connected smart televisions are expected to reach ~40-50 million. 30% of the content viewed on these screen will be gaming, social media, short video and content item produced exclusively for this audience by television, print and radio brands.

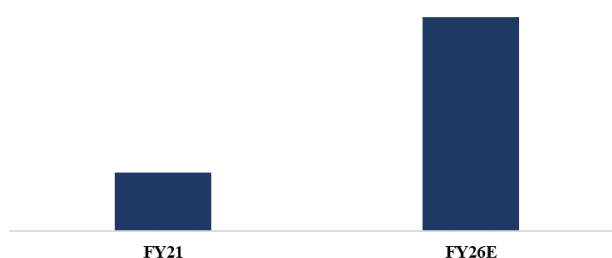
India's OTT market minutes have increased to 204 billion minutes in 2021 from 181 billion minutes. OTT video services market (video-on-demand and live) in India is likely to post a CAGR of 29.52% to reach US\$ 5.12 billion by FY26, driven by rapid developments in online platforms and increased demand for quality content among users.

OTT users in India are estimated at 353 million and active paid subscriptions at 96 million, translating to a 25.3% penetration. According to PwC, the OTT market is expected to reach Rs.

Market Size in \$ billion



India OTT Video Services (Video-on-Demand and Live) Market (US\$ billion)



21,032 crore (US\$ 2.57 billion) by 2026.

As of 2020, India registered ~803 million online video viewers, including streaming services and videos on free platforms such as YouTube.

Growth drivers

- **Rising Income and Consumer Base:** Rising income, widening of the consumer base will also be aided by the expansion of the middle-class, increasing urbanisation and changing lifestyles. The entertainment industry will also benefit from a continued rise in the propensity to spend among individuals. Empirical evidences point to the fact that decreasing dependency ratio leads to higher discretionary spending on entertainment.
- **Government Initiatives:** FDI up to 100% through the automatic route has been granted by Government. FDI limit for DTH satellite and digital cable network was raised from 74% to 100% by the Government. 100% FDI allowed in the sector Animation, Gaming & VFX through automatic route provided it is in compliance with the RBI guidelines. In February 2021, the digital entertainment committee of the Internet and Mobile Association of India (IAMAI) finalised a code of conduct to form the basis for self-regulation code for OTT content. The code has been endorsed by 17 OTT platforms including Netflix, Amazon Prime Video, Disney+ Hotstar, ZEE5 and Voot.

Source: <https://www.ibef.org/industry/media-entertainment-india>

Indian Animation and VFX Industry Overview

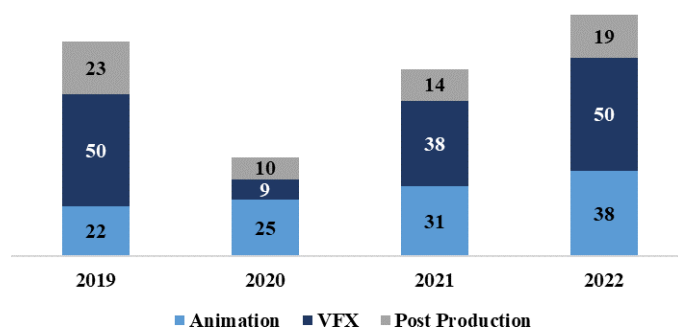
The growth of animation and the evolution of VFX technologies has altered the storytelling pattern, resulting in a boom in the entertainment business. Despite the economic downturn in the recent past and stop in production in the early months of the pandemic, there has been a healthy competition between media and entertainment sector with animation & VFX offering the content an edge. Animation and visual effects studios have seen a considerable increase in content demand for domestic shows in the recent years.

India's animation and VFX industry was valued at around 107 billion Indian rupees in 2022, despite the lapse in market value in the previous year owed to the pandemic's adverse effects. Of the total market size VFX industry accounted for about 50 billion Indian rupees.

Animation

Demand for animated content began to normalize to pre-pandemic levels, e.g., kids' viewership reduced by 13% over 2021. In contrast, dedicated kids' OTT platforms have grown and more options, especially in regional languages, have emerged. Stagnant growth rate of 2D animation finally gained momentum globally in 2022, which will have a positive impact on the Indian animation segment owing to the large stack of companies creating 2D content efficiently. Adoption of gaming engines like Unity and Unreal has been another game changer. These engines improve efficiencies and save up to 70% of rendering time, paving the way for more streamlined workflows. Service exports made up 35% to 40% of the total revenue for the animation segment in 2022.

Size of Indian Animation & VFX in INR Billion



VFX

From delivering back-end services only, India has now emerged as the provider of turnkey services - from pre visualization to final rendering. This also means an increase in both value and volume of work coming India's way. Tentpole movies have always been heavy on VFX, and continue to be a major draw for audience across theaters as well as on OTT platforms globally. The major draw in OTT today is episodic content across platforms. This content draws heavily on VFX and is the second-largest addressable market today.

Post-production grew 35% in 2022 to reach INR19 billion

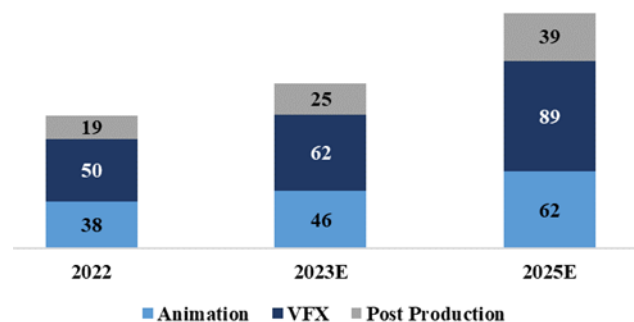
There is a surge in dubbed and sub-titled theatrical releases as India becomes one market, with content appealing to audiences across state and language boundaries. Dubbed films increased from 15% of all releases pre-pandemic, to 30% in 2022. Over the last decade, the cost of dubbing for an average film has gone up from INR0.5 million to INR2 million to INR3 million. As content is monetized across more windows (SVOD, AVOD, theatrical, television, FTA, international, short video etc.), the demand for post-production services will continue to grow.

The Animation and VFX segment is expected to grow at a CAGR of 20% to 25% between 2022-2025 to reach INR190 billion

Factors leading to growth to the segment

- VFX budget for a film with a US \$100 million production budget or more rose to 30% to 35% from 25% to 30% previously.
- VFX share of mid to low-budget films has also increased by 5% to 10%.
- OTT platforms continued to invest heavily in original content production globally, amounting to US\$60 billion in 2022.
- Approximately 70% to 75% of the Indian VFX segment revenue came from service exports in 2022.
- 2022 recorded a two times increase in the number of big budget movies (greater than or equal to INR 1 billion) compared to 2021
- The share of VFX for a low to mid-size film was in the range of 10% to 15% of the budget, wherein for a big budget movie the share of VFX was 25% to 30%.
- Indian film makers have increased the number of shots in their high-budget films from a few hundred to 1,500- 2,000.
- Entry of top global VFX players expanded into India to leverage the cost arbitrage.
- For a global VFX player having operations in India, Indian VFX artists cost only one-eighth of the cost incurred on hiring artists in the UK or North America
- In the last two years alone, the Indian visual effects industry has created 60,000 jobs, with studios like MPC in Bengaluru going for an extensive hiring spree
- In 2022, five global VFX players, including ILM, have either started operations or announced their entry into the Indian market:
 - Industrial Light & Magic (ILM) opened its new office in Mumbai. ILM plans to acquire and retain over 500 skilled talents in India over the next three years.
 - UK-based Cinesite group acquired a majority stake in Assemblage Entertainment, headquartered in Mumbai.
 - Detroit-headquartered US tech firm, Pi Square Technologies, opened its global animation and VFX studio in Hyderabad.
 - Ghost VFX, Streamland media's visual effects division, has announced it will open a new 32,000-square-foot studio in Pune, Maharashtra, India, in early 2023 to meet the growing needs of filmmakers worldwide.
 - FOLKS, a Fuse Group visual effects company, has launched its 35000+ square foot facility in Mumbai, India. The facility will staff more than 250 employees.
- Studios embraced technologies like virtual production, AI and ML to streamline workflows and allow quicker iterations.
- Volume of outsourced work and the complexity levels of the sequences delivered in India have increased considerably compared to what it was a decade ago.
- To streamline the creative and technical process and allow quicker iterations for a client, VFX players are embracing artificial intelligence, Machine learning and deep learning.

Expected Size of Indian Animation & VFX in INR Billion

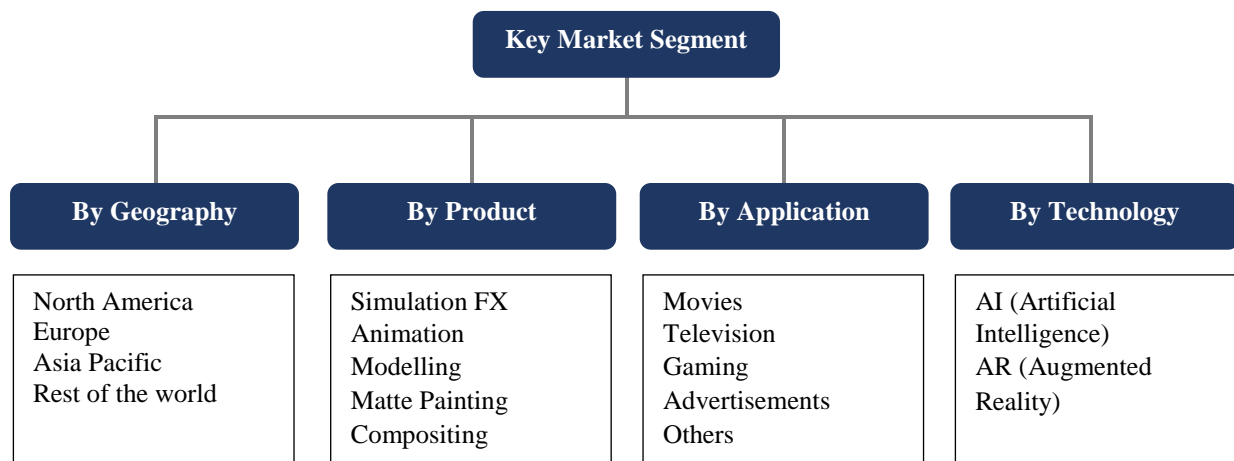


- With the rise of the hybrid working model, improvement in cloud computing, which enables remote work, made it even more possible for people across geographies to work in the same pipeline.
- More virtual production studios were set up in 2022.
- More than 50+ upcoming VFX-heavy movies are expected to be released in 2023 and early 2024.
- 1,000+ original titles are expected to be commissioned across the top 10 OTT platforms over the next few years.
- Tier 1 players like ILM, DNEG, Framestore and Technicolor have marked their entry into the Indian market to take advantage of our talent pool and technological capabilities, and are looking to at the very least double their headcount in India ensure better margins as their clients, the global studios and streaming platforms, aim for better profitability/ break-even.

Source: <https://www.animationxpress.com/latest-news/ficci-ey-report-2023-shares-indian-vfx-segment-grew-30-per-cent-to-reach-inr-50-billion/>
https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/media-and-entertainment/2023/05/ey-me-report.pdf

Global VFX Industry

The global visual effects (VFX) market size reached US\$ 9.3 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 15.2 Billion by 2028, exhibiting a growth rate (CAGR) of 8.5% during 2023-2028. Significant growth in the entertainment industry majorly drives the global market. This can be supported by the extensive application of VFX in advertisements, video games, movies, and TV shows across the globe. With the elevating demand for VFX, on account of the rising popularity of computer-generated imagery (CGI) and other special effects in movies and television shows, is significantly supporting the market. As video games and virtual reality applications become more popular, the need for VFX to create realistic, immersive worlds is positively increasing, which is driving the demand for VFX artists and technicians to help create these experiences. Moreover, the integration of advanced technologies in VFX software, including artificial intelligence (AI), machine learning (ML), and virtual reality (VR), is contributing to the market.



Source: [https://www.kaleidoscot.com/visual-effects-vfx-market-dynamics-insights-competitive-analysis-size-share-report-2023-28/#:~:text=The%20global%20visual%20effects%20\(VFX,8.5%25%20during%202023%2D2028.](https://www.kaleidoscot.com/visual-effects-vfx-market-dynamics-insights-competitive-analysis-size-share-report-2023-28/#:~:text=The%20global%20visual%20effects%20(VFX,8.5%25%20during%202023%2D2028.)

Based on Geography, the Global Visual Effects (VFX) Market is classified into North America, Europe, Asia Pacific, Latin America, and Middle East and Africa. North America Segment accounted for the largest market share and is projected to grow at a CAGR of 5.05 % during the forecast period. The North American VFX hub is booming across the globe, considering various factors to expand the business in this region. Some of the key factors that help the market to grow are: The increasing popularity of the film and television industry in the North American region is expected to drive the market growth. The film and television studios are attempting to incorporate more animation and VFX-based shots into their films and television series. Studios are investing in visual effects (VFX) to create feature-rich, high-quality content and compete with other digital video streaming service providers, which is expected to drive the global visual effects (VFX) market. Furthermore, the use of digital video streaming services such as Netflix, Amazon Prime Video, and Hulu is increasing. As a result, the high-quality content and VFX market become significant in the overall market.

Based on Product, the market is bifurcated into Simulation FX, Animation, Modelling, Matte Painting, and Compositing. The Simulation segment is accounted for the largest market share in 2021 and is projected to grow

at the CAGR of 4.37% during the forecast period. A simulation uses models to simulate how systems or processes in the real world work. While the simulation depicts how the model develops over time under various conditions, the model represents the fundamental behaviors and characteristics of the chosen process or system. High-caliber performances and physically accurate simulation tools are combined using FX. The visual tricks and illusion effects used in the film, television, video games, theatre, and simulator industries to simulate the virtual world in reality are more commonly referred to as special effects or simply FX. The market tends to expand as a result of the simulation FX listed industries' rising popularity.

Based on Application, the Global Visual Effects (VFX) Market has been segmented Movies, Television, Gaming, Advertisements, Others. The Movies segment is accounted for the largest market share and is projected to grow at the highest CAGR of 4.34% during the forecast period. Filmmaking is a much more involved process than simply shooting a film. Special effects in movies are mechanical or artificial visual effects that significantly contribute to the audience's visual experience. To keep audiences engaged, filmmakers must create better visual effects, some of which have the potential to redefine or alter the industry in the future. Character design, action scenes, and many other aspects of the film can benefit from special effects. In movies or filmmaking, a visual effect is the creation of on-screen imagery without physical existence in real life. The visual effect allows the filmmakers to create objects, creatures, environments, and people that would be very difficult or impossible to film in context to live-action shots. The VFX in movies plays a vital role in integrating live-action footage with computer-generated imagery (CGI).

Source: <https://www.verifiedmarketresearch.com/product/visual-effects-vfx-market/>

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” 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 fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” or “Digikore” means Digikore Studios Limited.

All financial information included herein is based on our “Restated Financial information of the Company” included on page 131 of this Draft Red Herring Prospectus.

Overview

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of “Digikore Studios Private Limited”. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to “Digikore Studios Private Limited” vide shareholder’s approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune.

Digikore serves as a hub for top-tier industry talent. Having production facility in India, we specialize in delivering Visual Effects (VFX) for a diverse range of projects such as Films, Web Series, TV Series, Documentaries, and Commercials, all while maintaining a strong emphasis on cost-effectiveness. Our reputation as a world-class VFX studio is a result of our harmonious blend of imaginative creativity and cutting-edge technology.

Digikore was established by Mr. Abhishek Rameshkumar More in the year 2000. In its initial years, Digikore made its mark in the realm of Animation and Visual Effects (VFX). Worked with extensive portfolio of many Films and TV Series, notable works include projects like "Thor: Love and Thunder," "Black Panther: Wakanda Forever," "Glass Onion: A Knives Out Mystery," "Deadpool," "Star Trek," "Jumanji," "Stranger Things," "The Last Ship," "Titanic" "Gosht Rider: Spirit of Vengeance" "Transformer: Age of Extinction" "Crouching Tiger, Hidden Dragon: Sword of Destiny" and many more prestigious productions.

As a TPN-audited VFX studio, we offer a comprehensive suite of visual effects services, overseen by our experienced production team. Our artists harness the power of the latest software, hardware, and proprietary tools to produce exceptional VFX for some of the most prominent Films, Web Series, and TV Series.

Notably, we stand among the select few studios in India that have undergone audits from esteemed entities such as TPN. Also approved for projects from production houses like Disney/Marvel, Netflix, Amazon, Apple, Paramount, Warner Bros., and Lions gate. Our commitment to excellence is further underscored by our dedication to fostering an internal culture rooted in diversity, equality, and inclusion – vital components that fuel our innovation and creativity.

Furthermore, the company has embarked on a new venture, known as Digikore Matchmaking, extending its portfolio to encompass new dimensions of business endeavor.

We specialize in creating visual experiences that captive audience around the world. We also have a decade’s worth of experience in pushing the boundaries of creativity and technology to deliver its exceptional VFX solution for Movies, TV, Net series and Commercials. With a team of skilled artists, a dedication to investing in the latest technology, and a proven track record of serving clients from diverse sectors and countries, “Digikore” has earned a good reputation among its clients in the VFX industry. Our works pans across all platforms and end-uses.

We conduct our operations with focus on to provide reliable, cost-effective and high-quality VFX shots at competitive price for the US and European markets. We have the flexibility to work on any kind of project, either small or large, with faster turnaround and scalability to generate long-term value for the Company.

The Company has a team of creative-driven professionals, who are capable of managing all sorts of VFX production tasks every single step of the way to deliver high-quality, industry standard content for the client. The team of talented and passionate creative's at Digikore are capable of handling projects of any scale and complexity employee experience.

To emerge as the best VFX company producing quality content for both International and Domestic markets, we aim to build a work environment that is not only productive and efficient but also more exciting, fulfilling, meaningful and fun, creating the best.

We work on the spectacular scenes and tiny details that make movies truly Mind-blowing!!!

FINANCIAL HIGHLIGHTS

The following table represents on the basis of Restated Standalone Financial Information:

(₹ in lakhs)

| Particulars | As on June 30, 2023 | March 31, 2023 | March 31, 2022* | March 31, 2021 |
|--|---------------------|----------------|-----------------|----------------|
| Share Capital | 118.40 | 118.40 | 118.40 | 118.40 |
| Net Worth | 870.59 | 590.94 | 153.48 | 106.94 |
| Total Revenue | 1182.99 | 3555.83 | 2488.39 | 615.53 |
| Profit After Tax | 279.65 | 437.46 | 46.54 | 1.80 |
| Earnings per share (in Rs.) | 23.62 | 36.95 | 3.93 | 0.15 |
| NAV per equity (in Rs.) | 73.53 | 49.91 | 12.96 | 9.03 |
| Total Borrowing (as per Balance Sheet) | 912.25 | 607.61 | 349.46 | 498.77 |

*Revenue consist of Rs.1152.19 lakhs through trading of goods

The following table represents on the basis of Restated consolidated Financial Information:

(₹ in lakhs)

| Particulars | June 30, 2023 | March 31, 2023 | March 31, 2022 |
|--|---------------|----------------|----------------|
| Share Capital | 118.40 | 118.40 | 118.40 |
| Net Worth | 813.30 | 542.66 | 153.48 |
| Total Revenue | 1186.49 | 3692.38 | 2488.39 |
| Profit After Tax | 270.89 | 389.17 | 46.54 |
| Earnings per share (in Rs.) | 22.88 | 32.87 | 3.93 |
| NAV per equity (in Rs.) | 68.69 | 45.83 | 12.96 |
| Total Borrowing (as per Balance Sheet) | 912.25 | 608.55 | 349.46 |

GEOGRAPHICAL WISE REVENUE BREAKUP

Geographical distribution of our revenue during the last 3 years are as under:

(₹ in Lakhs)

| Country | 2022-23 | | 2021-22 | | 2020-21 | |
|-----------------------------------|------------------------|-------------|------------------------|-------------|------------------------|-------------|
| | Revenue from Operation | % | Revenue from Operation | % | Revenue from Operation | % |
| North America | 2,795.93 | 85.83% | 1,046.13 | 41.82% | 336.30 | 68.76% |
| Europe | 366.29 | 11.25% | 289.97 | 11.59% | 73.02 | 14.93% |
| Australia and New Zealand | 31.21 | 0.96% | 2.84 | 0.11% | 0.00 | 0 |
| Rest of the world including India | 63.95 | 1.96% | 1162.36 | 46.47% | 78.93 | 16.31% |
| Total | 3257.38 | 100% | 2501.30 | 100% | 489.15 | 100% |

The above figures are based on the Audited Financials

Services Offered by our Company

As a Trusted Partner Network Certified studio, we offer a wide range of VFX services as mentioned below:

➤ Rotoscopy



Rotoscopy is crucial in VFX, involving tracing over live-action frame by frame to create precise mattes. These mattes separate foreground from background, allowing selective VFX enhancements. It's used for realistic motion by drawing over each frame, creating detailed animations.

Rotomation is a vital VFX technique, matching virtual camera/object movement to live camera's. It captures real motion for computer-generated elements.

➤ Reflection Removal



Reflection removal is a technique used in image and video processing to eliminate unwanted reflections or glare from a scene, particularly when capturing images or recording videos through glass or other reflective surfaces. Reflections can often occur when photographing or recording objects or scenes behind glass windows, mirrors, or water bodies, causing distortions and obscuring the true details of the subject.

Reflection removal aims to enhance the quality and visibility of the captured content by eliminating or reducing the presence of these unwanted reflections. It is an essential process in various industries, including photography, computer vision, video surveillance, and visual effects (VFX).

➤ General Cleanup



General cleanup is an important and common process in the field of Visual Effects (VFX). It involves digitally enhancing or fixing elements in a shot to improve the overall visual quality and ensure a seamless integration of visual effects into live-action footage. General cleanup tasks are typically carried out during post-production and are performed by VFX artists to achieve a polished and professional look in the final output.

➤ Wire and Wig Removal



Wire and rig removal is a common task in the field of Visual Effects (VFX), particularly in the post-production phase of film and video projects. It involves digitally removing visible wires, harnesses, or support rigs that are used during the filming of action sequences or stunts to create the illusion of characters or objects flying, floating, or performing other dynamic movements.

➤ Muzzle Flash Compositing



Muzzle flash compositing is a visual effects technique used in film and video production to add realistic and visually impactful muzzle flashes to weapons when they are fired. A muzzle flash is the brief burst of light that occurs at the barrel of a gun when a shot is fired, and it adds authenticity and intensity to action scenes involving firearms.

➤ Green Screen Compositing



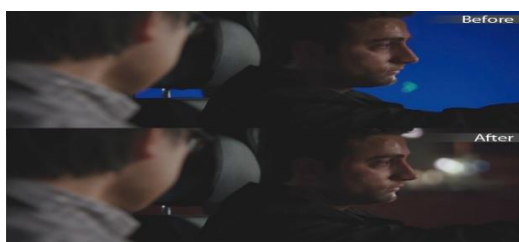
Green screen compositing, also known as chroma key compositing, is a popular visual effects technique used in film and video production to combine footage shot in front of a solid-colored green (or sometimes blue) background with another background or footage. The process involves replacing the green screen background with the desired background or VFX elements, creating the illusion that the subjects are in a different location or environment.

➤ Matchmove



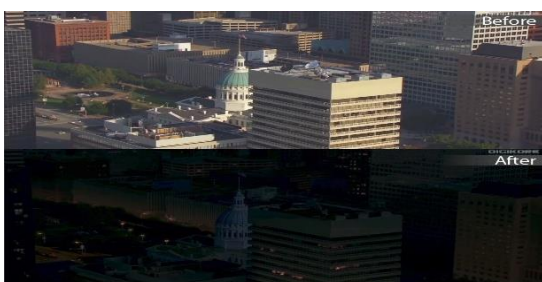
Match moving, or camera tracking, is vital in Visual Effects (VFX). It copies real camera motion to a virtual 3D camera or objects, blending CGI with live-action seamlessly for a unified scene. It ensures computer-generated elements align perfectly with the camera's movement in the live-action footage.

➤ Driving Comps



Driving composites involve blending live-action footage and computer-generated elements to craft authentic driving scenes. Widely employed in film and television, they offer a secure and efficient way to capture challenging driving sequences by simulating vehicular movement in controlled settings, followed by post-production VFX enhancement for a genuine on-location feel.

➤ Day to Night



Day-to-night conversion or day-for-night, is a visual effects technique used in filmmaking and video production to simulate night time scenes even when the original footage was shot during the day. The purpose of day and night VFX is to create a convincing night time atmosphere without actually shooting at night, allowing filmmakers to have more control over the production schedule and lighting conditions.

➤ **CG Blood Comps**



"CG blood comps" likely refers to "Computer Generated Blood Compositing" in the context of Visual Effects (VFX). It is a technique used in film and video production to add realistic blood effects to scenes involving violence, injuries, or special effects. The purpose of CG blood compositing is to enhance the visual impact of such scenes and create convincing and engaging visual storytelling.

➤ **Beauty Fixes**



Beauty fixes in VFX refer to a range of visual effects techniques used to enhance the appearance of actors or subjects in film, television, or other media. These fixes are applied to correct imperfections, enhance facial features, and create an overall polished and aesthetically pleasing look. Beauty fixes are often used to ensure consistency in appearance and to meet specific artistic or storytelling requirements.

➤ **Crowd Multiplication**



Crowd multiplication, also known as crowd replication or crowd simulation, is a visual effects technique used to create the illusion of a large group of people, creatures, or objects in a scene when only a limited number of real individuals or elements were present during filming. This technique is commonly used in film, television, and commercials to depict massive crowds, armies, or any scenario that would be impractical or unsafe to film with a large number of live performers.

➤ **Set Extension**



Set extension is a visual effects technique used in film, television, and other media to extend or expand a physical set beyond its practical limits. It involves adding computer-generated elements to the existing set to create the illusion of a larger, more expansive environment. Set extension allows filmmakers to depict elaborate and realistic locations that may be difficult or costly to build entirely in the physical world.

Key VFX Techniques & Technologies used by our Company

| Techniques & Technologies Used | Description |
|--------------------------------|---|
| Autodesk Maya | Autodesk Maya is a popular 3D application used for creating realistic animations and impressive visual effects. It has been utilized in notable films like Harry Potter and Transformers, as well as games like FIFA09 and Prince of Persia. |

| | |
|-------------------------------|--|
| | Maya provides comprehensive tools for designing movement, elements, and rendering in 3D animation and modelling. |
| Nuke | Nuke is compositing software widely used in post-production for television, advertising, and film. It has been utilized in creating high-quality visual effects In movies such as Tron: Legacy and Black Swan, among others. |
| 3DEqualizer | 3D Equalizer is the leading 3D tracking solution in the VFX industry, seamlessly merging live action footage with digital visual effects at the highest quality. It is extensively used by major players worldwide and is a cornerstone of modern post-production. Artists from top VFX houses rely on 3DEqualizer to consistently deliver precise results on major projects. This advanced software provides the level of control required for high-end visual effects, going beyond simple automated solutions. |
| Silhouette | Silhouette, developed by Boris FX, is licensed software used in the VFX industry. It streamlines visual effects creation by enabling accurate shape definition, object tracking, and seamless element blending. With integrated tools like Mocha tracker, it efficiently handles 2D tracking and assists in rotoscoping. Silhouette's versatility, integration capabilities, and user-friendly interface have made it a popular choice among VFX professionals. |
| Blender | Blender is an open-source 3D creation suite with tools for modeling, rigging, animation, rendering, compositing, and more. It's open-ource and supports Python scripting for customization. Blender is ideal for individuals and small studios with a collaborative development process. |
| Houdini | Houdini is comprehensive 3D production software that covers modeling, animation, motion capture support, particles, and dynamics. It offers a procedural work flow, allowing users to create highly detailed objects with fewer steps and encouraging non-linear development. |
| The Foundry Mari | Mari is powerful 3D paintings software that allows artist stop complex assets without limitations. It offers artist-friendly 3D paint tools that unleash creativity and provide exceptional control over the painting process. |
| Pixologic Zbrush | Z Brush is a digital sculpting tool that combines 3D/2.5D texturing, modeling, and painting. It utilizes proprietary "pixel "technology to store lighting, material, color, orientation and depth information for screen entities, resulting in a powerful and versatile software. |
| Shot Grid | Shot Grid is a production management and review toolset designed for VFX, animation, and games teams. It streamlines creative production tracking, empowering studios of all sizes to concentrate on their core work. As a secure and robust data management platform, Shot Grid enables faster, improved, and more efficient workflows in the industry. |
| Cloud Platforms Arch | It is a cloud-based solution that supports architectural design and project management in the Architectural Engineering Construction industry. It offers design tools, collaboration features, visualization capabilities, documentation management, project scheduling, integration options, and mobile accessibility. |
| Teradici | It provides secure remote desktop and virtualization solutions, enabling efficient access to graphics-intensive applications from any location. |
| Deadline For Rendering | Deadline by Think box Software, now part of AWS, is rendering farm management software utilized in VFX and animation. It streamlines rendering tasks, optimizes workflows, and scales capabilities for efficient rendering management. |

| | |
|----------------------|--|
| | Deadline offers flexibility and a variety of compute management options, allowing users to seamlessly access on-premises, hybrid, or cloud-based resources for rendering, render management, and processing needs. |
| Aspera | <p>IBM Aspera is a high-speed file transfer software that enables rapid transfer of large files and data sets over existing infrastructure and global IP networks.</p> <p>It provides a unified interface for seamless sharing and accessing of files across cloud and on-premises storage services.</p> <p>With robust security measures like encryption and access control, IBM Aspera ensures secure collaboration and efficient file delivery on a global scale.</p> |
| Adobe | Adobe software like After Effects, Premiere Pro, Photoshop, Illustrator, and others are commonly used in VFX for tasks such as creating animations, editing videos, adding visual effects, and more. These tools help VFX artists enhance their work and bring their creative ideas to life. Other software like Autodesk Maya, SideFX Houdini, and Nuke are also used in conjunction with Adobe tools for specific VFX needs. |
| Unreal engine | Unreal Engine has become a pivotal tool in the VFX industry, renowned for its real-time rendering prowess and its role in crafting virtual environments for movies and media. It excels in virtual production, enabling instant visualization of scenes, while its realistic lighting, effects, and interactive elements elevate visual quality. From pre visualization and virtual sets to post-production enhancements, Unreal Engine empowers VFX professionals to create dynamic, immersive visuals. It finds application not only in traditional filmmaking but also in game cinematics, training simulations, and collaborative workflows, revolutionizing how visual effects are conceptualized and executed. |

Virtual Production

Digikore Studios is Revolutionizing Filmmaking with its Virtual Production technology. Digikore Studios is among the forerunners in India in creating Virtual Production sets for filming. Our technology will democratize filmmaking and change the way films, episodic and commercials are filmed. We will help novice and professional filmmakers create better content, much faster and at a lesser cost.

What is Virtual Production:



- Replacing Green Screen with LED Screen containing the Location
- Creating Film Sets virtually to cut down on-location shoots

OUR FEW PROJECTS:

Some of the Projects that we have executed successfully and well recognized by the industry and well appreciated by the viewer are as under:

Few of our Domestic Projects:

| Sr. No. | Name of the Project | Scope of Work |
|---------|----------------------|---|
| 1 | Haider | <p>The VFX work in Haider was extensive and complex, and it played a crucial role in bringing the film's story to life. Digikore Studios, handled the VFX work on the film, used a variety of techniques to create the desired effects, including:</p> <p>Compositing: This was used to combine live-action footage with CG elements, such as the CG mansion that is blown up in the crackdown scene.</p> <p>CGI: This was used to create the CG characters and objects that appear in the film, such as the soldiers and the militants.</p> <p>Clean-up: This was used to remove unwanted elements from the live-action footage, such as wires and rigs.</p> <p>Matte painting: This was used to create background environments that were not practical to shoot on location.</p> <p>Particle effects: This was used to create realistic effects such as smoke, fire, and explosions.</p> <p>The VFX team also worked closely with the director, Vishal Bhardwaj, to ensure that the effects were seamlessly integrated into the film and that they helped to tell the story in the most effective way possible</p> |
| 2 | Hamari Adhuri kahani | <p>A Digikore team of skilled artists worked on the VFX for Hamari Adhuri Kahani, and they were able to produce a visually gorgeous movie that perfectly represented the film's emotional plot. The compositing and cleanup work was very excellent, since it contributed to the flawless mixing of live-action film and CG elements.</p> <p>Compositing: The compositing team was responsible for integrating the live-action footage with the digital elements, such as the background plates, and special effects. They also used compositing to create the film's distinctive visual style, which is characterized by its use of soft colors and romantic lighting.</p> <p>Cleanup: The cleanup team was responsible for removing any unwanted elements from the live-action footage, such as wires, rigs, and blemishes. They also used cleanup to enhance the overall quality of the footage, such as by sharpening the edges and correcting the color balance.</p> |

Few of our International Projects

| Sr. No. | Particulars of Project | Scope of Work |
|---------|------------------------|--|
| 1 | True Spirit | <p>TV compositing is the process of combining different elements of a video, such as live-action footage, computer-generated imagery (CGI), and text, into a single cohesive image. In the case of True Spirit, Digikore Studios used TV compositing to insert multiple graphics into monitor comps to make them more realistic.</p> <p>The process of TV compositing for True Spirit can be broken down into the following steps:</p> <p>The first step is to gather all of the source footage that will be used in the composite. This includes the live-action footage, the CGI, and the text.</p> <p>Creating the mattes. A matte is a mask that defines the area of the image that will be composited. Digikore Studios used mattes to isolate the graphics from the background so that they could be composited into the monitor comps.</p> <p>Compositing the elements. Once the mattes have been created, the different elements of the composite can be combined.</p> <p>Adjusting the colors and lighting. Once the elements have been composited, the colors and lighting may need to be adjusted to make the composite look realistic. This can be done using a variety of techniques, such as color correction and grading.</p> <p>Once the composite is complete, it can be exported as a video file.</p> <p>The TV compositing process for True Spirit was a complex and challenging one, but Digikore Studios was able to successfully create realistic and immersive visuals that helped to bring the film to life.</p> |
| 2 | Black Adam | <p>The VFX work done by Digikore studios was essential to the creation of the visual effects in Black Adam. Our expertise in rotoscoping, painting, and matchmoving helped to create a visually stunning film that brought the world of Black Adam to life.</p> <p>Rotoscoping: This involved isolating the foreground elements from the background in order to create a clean plate for compositing. This was done for a variety of shots, including those featuring Black Adam's powers, the destruction of buildings, and the fight scenes.</p> |

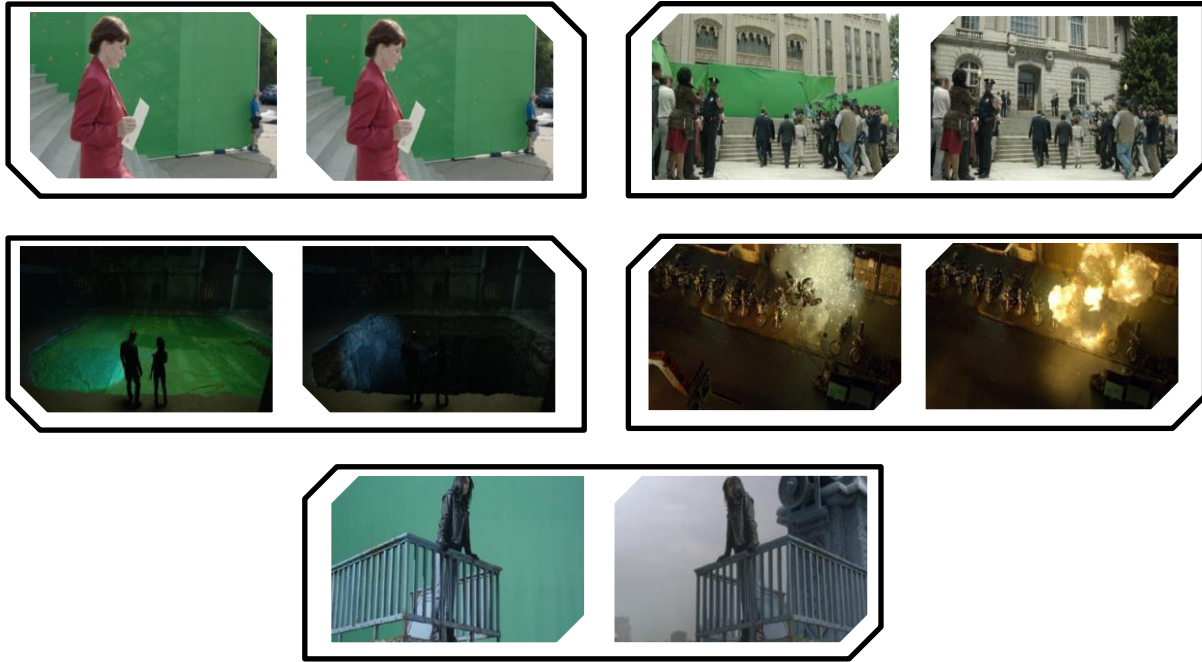
| | | |
|---|---------------------------------|--|
| | | <p>Cleanup: This involved adding details and textures to the digital elements in order to make them look more realistic. This was done for the CG characters, the environments, and the effects.</p> <p>Matchmoving: This involved tracking the movement of objects in the real world so that they could be accurately represented in the digital world. This was done for the actors, the vehicles, and the props.</p> |
| 3 | Black Panther : Wakanda Forever | <p>Digikore Studios was proud to provide matchmove, rotoscoping, and cleanup work for the film Black Panther: Wakanda Forever. Our team of experts worked on over 100 shots, helping to bring the film's stunning visuals to life.</p> <p>Tracking the movement of actors and objects in the real world so that they could be accurately represented in the digital world.</p> <p>Creating digital versions of actors and objects that could be manipulated and animated.</p> <p>Removing unwanted elements from the film's footage, such as wires and shadows.</p> <p>Our work helped to create a seamless and believable experience for viewers, transporting them to the world of Wakanda.</p> |
| 4 | Stranger Things | <p>Digikore Studios Brings the Upside Down to Life with VFX Magic in Stranger Things</p> <p>Digikore Studios is proud to have contributed its visual effects expertise to the iconic Netflix series Stranger Things. Our team of VFX artists worked on a variety of tasks, including matchmove, rotoscoping, cleanup, and compositing.</p> <p>Matchmove is the process of tracking the movement of objects in a scene so that they can be digitally manipulated.</p> <p>Rotoscoping is the process of tracing over live-action footage to create a clean, digital version of the image. Digikore Studios' rotoscoping artists used this technique to remove wires and rigs from the actors' performances.</p> <p>Cleanup is the process of removing unwanted elements from a scene, such as dust, scratches, and other imperfections. Digikore Studios' cleanup artists used this technique to ensure that the VFX were seamlessly integrated into the live-action footage.</p> <p>Compositing is the process of combining multiple elements into a single image. Digikore Studios' compositing artists used this technique to create the Upside Down, a dark and mysterious alternate dimension that is home to the Demogorgon and other creatures.</p> |
| 5 | The Expendables 3 | <p>"The team at Digikore Studios was proud of the VFX work that they did on The Expendables 3. They knew that their work had helped to make the film a success, and they were excited to continue working on other big-budget action blockbusters in the future.</p> <p>One of the most challenging aspects of the VFX work was the matchmove. This involved tracking the movement of the actors and objects in the real world, so that they could be accurately recreated in the digital world. The team used a variety of techniques to do this, including motion capture and camera tracking.</p> <p>Another challenging aspect of the VFX work was the rotoscoping. This involved tracing the outlines of the actors and objects in the film frame by frame, so that they could be removed from the background and replaced with digital effects. The team used a variety of software to do this, including Adobe After Effects and Nuke.</p> <p>The team also did a lot of cleanup work on the film. This involved removing any unwanted objects or blemishes from the film footage. They also did some compositing work, which involved combining different elements of the film footage to create a seamless final image."</p> |

COLLABORATIONS

We have not entered into any technical or other collaboration.

The Transformative Power of Visual Effect:

Visual effects possess the remarkable ability to transcend the boundaries of reality and imagination, reshaping our perception of what is possible. Through the skillful fusion of technology and artistry, these effects transport us to uncharted worlds, evoke deep emotions, and unravel narratives that would otherwise remain confined to the realm of dreams. Whether by conjuring awe-inspiring landscapes, breathing life into fantastical creatures, or immersing us in breathtaking spectacles, visual effects not only entertain but also challenge our understanding of visual storytelling, leaving an indelible mark on both the cinematic experience and our collective creative consciousness.



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| Immersive Storytelling | : Visual effects allow filmmakers and creators to transport audiences to fantastical worlds, historical eras, or futuristic settings. They enhance the visual narrative, making it more engaging and immersive for viewers. VFX can turn ordinary scenes into extraordinary spectacles, leaving a lasting impact on the audience. |
| Realism and Fantasy | : VFX bridges the gap between the real world and the realm of fantasy. It enables the creation of realistic and lifelike characters, creatures, and environments, making them appear as if they exist in the real world. On the other hand, VFX can also bring to life mythical creatures, magical powers, and fantastical landscapes that captivate the imagination. |
| Special Effects and Action Sequences | : Action-packed sequences, stunts, and explosions can be brought to life safely and convincingly using visual effects. This not only enhances the overall excitement of the scene but also ensures the safety of actors and crew. |
| Time and Space Manipulation | : VFX can manipulate time and space, allowing filmmakers to create breathtaking sequences such as time travel, slow motion, or fast-paced action. These techniques add an extra layer of intrigue and excitement to the storytelling process. |
| Seamless World-Building | : Visual effects enable the seamless integration of physical sets and computer-generated elements, creating comprehensive and cohesive worlds that feel real to the audience. This level of world-building would be incredibly challenging, if not impossible, without VFX. |
| Historical and Period Accuracy | : VFX can recreate historical events and settings with precision, ensuring accuracy in depicting eras long gone. This ability allows filmmakers to bring history to life in a way that would be difficult using practical sets alone. |
| Emotional Impact: | : Visual effects can evoke strong emotional responses from audiences. From heart warming scenes to terrifying moments, the use of VFX can amplify emotions and make scenes more impactful. |
| Reviving Iconic Characters and Actors | : VFX has been used to resurrect iconic characters or actors who have passed away, allowing them to be present in new stories or complete unfinished projects. This has been a touching tribute to beloved figures in the entertainment |

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| | | world. |
| Advancements in Technology | : | VFX drives technological advancements, not only in the entertainment industry but also in other sectors such as medicine, architecture, and education. The tools and techniques developed for VFX often have broader applications beyond the realm of entertainment. |
| Fostering Creativity | : | Visual effects inspire creativity among filmmakers, artists, and technicians. The seemingly limitless possibilities of VFX encourage artists to think outside the box and continually push the boundaries of what can be achieved in storytelling. |

HUMAN RESOURCE

Our employees are the key to the success of our business. As on July 31, 2023, we have the total strength of 357 in various departments as per the below details

| S. No. | Particulars | Total |
|--------|--------------|------------|
| 1. | HR | 07 |
| 2. | Management | 03 |
| 3. | Finance | 06 |
| 4. | VFX | 265 |
| 5. | Admin | 06 |
| 6. | IT | 14 |
| 7. | Digital | 22 |
| 8. | Animation | 10 |
| 9. | Pipeline | 06 |
| 10. | CG | 18 |
| | Total | 357 |

OUR EXPANSION PLAN & MARKETING STRATEGY

Our success lies in the strength of our relationship with our producers, production houses and directors. Due to strong network and branding with producers, production houses and directors. Our team, through their vast experience and good rapport with producers, production houses and directors are able to source new businesses for our Company. To retain our customers, our team regularly interacts with producers, production houses and directors and focuses on gaining an insight on changing taste and preference of viewers of entertainment industry.

We have experienced and skill management team to motivate the sub-ordinates and staff to step towards their achievements and organizational goals. With their efficient management skills and co-ordination with subordinate, they are always working as a catalyst to encourage the entire team for the development and nourishment of the organization.

INFORMATION SECURITY

We operate in an industry which is highly sensitive with regard to maintenance of secrecy of the projects and its contents. We manage sensitive and confidential data for our clients. Maintaining the confidentiality, integrity and security of such data is of paramount importance to us. We have put in place firewall, security systems and procedures including CCTV cameras, Biometric access and password sensitive central storage for protection of classified data, intellectual property and projects contents.

PROJECT SUPERVISION AND QUALITY CONTROL

From start to end of the VFX projects, strict measures are put in place to emphasis on quality and maintenance of secrecy of the projects and its contents. From the start till completion of projects, we have a team of 297 employees across VFX team, Digital team and Animation team which are highly trained technical and Management professionals to ensure that each project is delivered on time with benchmark exceptional standards. In order to ensure that such policies, standards and checks are complied with, VFX supervisors are in

charge of the whole VFX project. They manage the VFX pipeline, including all of the VFX artists that work in this process. They have ultimate responsibility for all of the VFX elements produced for a project by their company or studio.

They are present for filming during production so that they can see if the shots are satisfactory and ready for the VFX elements. VFX studios prefer if shots (pictures) are ‘locked’ (edited and okayed, ready to have VFX elements added to it) during filming. That means they can start working on the VFX while the rest of the film is being shot. They continue to lead their team when the film is being put together during post-production. They oversee the quality of all work produced and make sure that it is in line with the vision of the director or producer.

We are a TPN certified VFX service provider. TPN (Trusted Partner Network), owned and managed by the Motion Picture Association (MPA) in USA, is a global, industry-wide film and television content protection initiative. The TPN helps companies prevent leaks, breaches, and hacks of their customers' movies and television shows prior to their intended release and seeks to raise security awareness, preparedness, and capabilities within the industry. Partners who pass an independent assessment conforming to these industry best practices are listed as “trusted partners” in the TPN directory. TPN assessment is well acknowledged by big studios like Walt Disney Studios, Universal City Studios, Warner Bros., Netflix Studios and so forth.

COMPETITION

We face intense competition from the Indian and multinational companies. We have a very diverse portfolio of entertainment industry across globe. Some of our key competitors include Phantom Digital Effects Limited Prime Focus Limited, Basilic Fly Studio Limited, BOT VFX etc.

PRODUCTION PROCESS

Our Company’s production process is equipped with latest 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.

The production flow process of the Company is as under:

| Sr. No. | Process | Description |
|---------|----------------------------------|--|
| 1 | New Enquiry | Described how the new lead is converted to client and moving forward how opportunities are converted. |
| 2 | Package Download | Elaborated the way IO team downloads the package and production team move the data to VFX Storage space. |
| 3 | Test Planning | Test planning document shows the activities while the test of any client is done. |
| 4 | Test Execution | Test Execution documents shows the activities while our Creative team executes the test packages. |
| 5 | Project Planning | Project planning document describe the process of defining our objectives and scope, our goals and milestones (deliverables), and assigning tasks. |
| 6 | Project Execution | Project execution document describe the phase in which the plan designed in the prior phases of the project life is put into action. The purpose of project execution is to deliver the project expected results (deliverable and other direct outputs). |
| 7 | Package Upload | Elaborated the way Production team moves data to IO Storage and IO team uploads the data to client. |
| 8 | Project Approval-Kickback | Described the way project gets approved and kickback process of shots. |
| 9 | Invoicing Process | Elaborated Invoicing process of Clients and Vendors |
| 10 | Project Report- Showreel Process | After the project wrapped up, project report and showreel process elaborated |
| 11 | QC Process | Define Quality Check Process in different stages by Creative Team |
| 12 | Resource Performance Feedback | Define the feedback process based on the performance by creative team/HOD, Production team and HR (wherever needed) |

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|----|----------------|--|
| 13 | Vendor Process | Define Vendor Onboarding, Test and bidding process |
|----|----------------|--|

SOFTWARE AND EQUIPMENTS

We use latest technologically advanced software to create VFX effect. This software is licenced from different vendors. Following is the list of the software and equipment's used by our Company:

| Sr. No | Name of Major Software | Software Company |
|--------|---------------------------------|--|
| 1. | Nuke | The Foundry |
| 2. | Silhouette | Boris FX |
| 3. | Unreal Engine | Epic Games |
| 4. | Photoshop | Adobe |
| Sr. No | Name of Major Equipment | Vendor |
| 1. | Dell ISILON Storage NL400 | DigiParadox Technology Private Limited |
| 2. | Dell PowerEdge R730 Rack Server | Network Techlab (I) Pvt. Ltd. |

OUR BUSINESS STRATEGY

We ensure to maintain strong relationships with producers, production houses and directors and work closely with them to understand their view and expectation and obtain feedback on our deliveries to further align our project execution, marketing and pricing strategies with demand. We intend to continue to provide high quality deliveries to our customers and grow our business by leveraging our strengths and implementing the following strategies:

➤ Enhance customer base by entering new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our geographical reach. Enhancing our presence in additional regions will enable us to reach out to a larger market and have direct access to the producers, production houses and directors which will allow us to have better understanding of their concept and ideas. Further, our Company believes in maintaining long term relationships with our customers. We aim to achieve this by maintaining the high quality VFX effect, timely delivery and competitive pricing.

➤ Leveraging our Market skills and Relationships

This is a continuous process in our organization. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by increasing the geographical base, maintaining our client relationship and renewing our relationship with existing clients.

➤ Focus on quality

Our Company intends to focus on adhering to the quality of our offerings. This is necessary so as to make sure that we maintain the high-quality standards for our offerings and get repeated projects from our clients. This will also aid us in enhancing our brand value and further increase the business.

SWOT ANALYSIS

| STRENGTHS | WEAKNESSES |
|--|--|
| <ul style="list-style-type: none"> ➤ Strong Brand Equity in the VFX industry Worldwide. ➤ Solid Management Team. ➤ Among the first few VFX studios in India. ➤ Deep connections in the Industry Worldwide. ➤ Highly trained professionals ➤ Strict quality control in production process | <ul style="list-style-type: none"> ➤ High cost of capital, basic inputs, and manpower cost ➤ Dependency on KMPs ➤ Upgradation of knowledge on new technologies ➤ deployed and services provided by the Company |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> ➤ Massive content creation industry tailwinds across the globe is fueling high growth in the | <ul style="list-style-type: none"> ➤ Our ability to remain competitive may be adversely affected by rapid technological |

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|--|--|
| <p>VFX industry.</p> <ul style="list-style-type: none"> ➤ Ambitious plans as an early entrant into Virtual Production which is disrupting conventional VFX methods. ➤ Great foundation to become a global player. ➤ Increased offshoring of projects to India as the global content economy expands with new OTT platforms ➤ The multi-language release formula led to increased volumes | <p>changes and our ability to access such technology.</p> <ul style="list-style-type: none"> ➤ Retention and Availability of quality talent ➤ Lockdown and suspension of commercial activities ➤ High level competition |
|--|--|

INSURANCE

We maintain certain mandated insurance coverage on all our assets. Our insurance policies are generally annual policies that we renew regularly. Set forth below is a list of certain insurance policies that we maintain:

| Sr. No. | Insurer | Policy No. | Expiry date | Insured Amount |
|---------|--------------------|-----------------------|--------------|----------------|
| 1. | TATA AIG Insurance | NI5160122301 | May 23, 2024 | 160.85 Lakhs |
| 2. | ICICI Lombard | 4010/292892761/00/000 | May 15, 2024 | 720.00 Lakhs |

PROPERTIES

Our company does not own any immovable property in its name. We operate our activities from our registered office and branch office which are on lease, the details of which are given below:

| Sr. No. | Location of the Property | Agreement date | Licensor/Lessor or/Lessee | Sale Consideration/Lease Rent /License Fee (in Rs.) | Lease/ License Period | | Purpose |
|---------|---|-----------------|--|---|-----------------------|----------|-------------------|
| | | | | | Valid till | | |
| 1. | 410/1, 411/2 Dapodi Pune- 411012 | Leased 01.04.23 | Licensor – Poona Bottling Pvt Ltd. Licensee- Digikore Studios Ltd | Rs.5000/- p.m | 01.04.23 | 31.03.26 | Registered Office |
| 2. | 4 th Floor Triumph Tower Viman nagar Pune 411014 | Leased 23 05 23 | Licensor BigBox Ventures Pvt Ltd Licensee- Digikore Studios Ltd | Rs. 25.40 Lacs p.m | 01.06 23 | 30.04.26 | Corporate Office |
| 3. | A101 Varde Residency Colletion Kalyani nagar Pune - 411006 | Leased 23.05.23 | Licensor Rohit More and Abhishek More Licensee- Digikore Studios Pvt Ltd | Rs. 3.00 Lacs p.m | 17.04.23 | 16.03.24 | Guest House |
| 4. | A.3010 Solitaire Business Hub Viman nagar Pune -411014 | Leased 05.09.22 | Licensor Rohit More and Abhishek More Licensee- Digikore Studios Pvt Ltd | Rs. 3.00 Lacs p.m | 05.09.22 | 04.09.23 | Other Office |

INTELLECTUAL PROPERTY

Our Company has the following trademarks:

| Sr. No. | Logo | Type of Trademark | Country | Date of Application/Approval Date | Application No. | Class | Current Status |
|---------|---|-------------------|---------|-----------------------------------|-----------------|-------|----------------------|
| 1. | DIGIKORE | Name | India | 11 June 2021 | 5002092 | 41 | Registered |
| 2. |  | Logo | India | 22 May 2023 | 5947674 | 41 | Formalities Chk Pass |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice.

The statements below are based on 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. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 216 of this Draft Red Herring Prospectus.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of Our Company:

A. INDUSTRY SPECIFIC LAWS

Cinematograph Act, 1952

The Cinematograph Act, 1952 (“Cinematograph Act”), is an act to make provision for the certification of cinematograph films for exhibition and for regulating exhibitions by means of cinematographs. Cinematograph is defined to include any apparatus for the representation of moving pictures or series of pictures. The Cinematograph Act, authorizes the Central Government to constitute a Board of Film Certification, (also known as the “Central Board for Film Certification” or “CBFC”), in accordance with the Cinematograph (Certification) Rules, 1983 (“Certification Rules”), for the sanctioning of 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 viewing by a particular audience. The CBFC may either refuse or grant a certificate in respect of a film. The certificate granted may provide restrictions in respect of viewership or, the CBFC may direct the Bidder to carry out any modifications in the film, as it may think fit before sanctioning the film for exhibition. The obligation to obtain such certificate is on any person who wishes to exhibit any film. However, the duplicate copy of the same has to be provided to the distributor or the exhibitor according to the Cinematograph (Certification) Rules, 1983.

The certificate granted by the CBFC in respect of a film shall be valid throughout India for a period of 10 years from the date on which the certificate is granted. If the CBFC receives any complaint in respect of any film, which has been certified for public exhibition, the same shall be forwarded to the Central Government and the Central Government may re-examine the certified films and may take necessary action.

AI advertisements of films in any form including hoardings, handbills, newspapers and trailers shall indicate that the film has been certified for such public exhibition. Further, if a film is altered by excision, addition, coloring or otherwise, after it has been certified, it is not permitted to be exhibited unless such portions which have been excised, added, colored or otherwise altered, have been reported to the CBFC and the CBFC has endorsed the particulars of the alterations, in the certificate.

The Central Government may issue directions to a place licensed to give an exhibition of a film generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited.

The Central Government, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and / or monetary fines.

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 statute 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.

B. TAXRELATEDLAWS

Income Tax Act, 1961

The Income-tax Act, 1961 (“**IT Act**”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its Residential Status and Type of Income involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

Goods and Services Tax (“GST”)

The GST is applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST (‘CGST’) as provided by the CGST Act and that to be levied by the States is called the State GST (‘SGST’) as given under the SGST Acts. An Integrated GST (‘IGST’) under the IGST Act is to be levied and collected by the Centre on inter-State supply of goods and services. The CGST and SGST are to be levied at rates, to be jointly decided by the Centre and States.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

There are indirect taxes that are levied and collected by the Central and State Government which are now subsumed under GST. Some of the taxes which were applicable to the Company are as follows:

- Service Tax
- Value Added Tax
- The Central Sales Tax Act, 1956

C. INTELLECTUAL PROPERTY LAWS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Copyright Act, 1957

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years from the beginning of the next calendar year, following the year in which the work is first published.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing copies.

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 trade mark registration may be made for in one or more classes. Once granted, trade mark 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.

Patents act, 1970

The Patents Act, 1970 (the “Patents Act”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process 136 patents. In addition to the broad requirement that an invention, a patent has to satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection. The Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty (20) years from the date of filing of the application for the patent.

D. FOREIGN REGULATIONS

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

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules 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. FTA read with the Indian Foreign Trade Policy 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

When a business enterprise imports goods from other countries, exports its products to them or makes investments abroad, it deals in foreign exchange. 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 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.

E. LAWS RELATING TO EMPLOYMENT AND LABOUR

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time (“EPF Act”), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. 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 employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities.

Employees State Insurance Act, 1948 (the “ESI Act”)

The promulgation of Employees' State Insurance Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, death due to employment injury resulting in loss of wages or earning.

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The act provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- a) on his/her superannuation;
- b) on his/her retirement or resignation;
- c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply)

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.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable to every factory and every other establishment employing twenty (20) or more persons. Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after

childbirth, or miscarriage or medical termination of pregnancy. It provides, inter alia, for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women, etc. Government, further amended the Act which is known as The Maternity Benefit (Amendment) Act, 2016, effective from March 28, 2017 introducing more benefits for pregnant women in certain establishments.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

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

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (“**IDA**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

F. GENERAL LEGISLATIONS

Companies Act, 2013

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. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as Companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors.

In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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.

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.

Consumer Protection Act, 1986

The consumer protection act, 1986 The Consumer Protection Act ("COPRA") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

Transfer of Property Act, 1882

Transfer of Property Act, 1882 (**"the TP Act"**) establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

Registration Act, 1908

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

Information Technology Act, 2000 (as amended by Information Technology Amendment Act, 2008)

The Information Technology Act, 2000 (**"the IT Act"**) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud.

Limitation Act, 1963

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the

purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

Arbitration and Conciliation Act, 2015

The Arbitration and Conciliation Act ("Arbitration Act") was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of “Digikore Studios Private Limited”. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to “Digikore Studios Private Limited” vide shareholder’s approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Digikore Studios Limited” vide shareholder’s approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune.

For information on the Company’s activities, market, growth and managerial competence, please see the chapters “Our Management”, “Our Business” and “Our Industry” beginning on pages 110, 84 and 75 respectively of this Draft Red Herring Prospectus.

Change in Registered Office

At present our registered office is located at C/o Poona Bottling Company Private Limited, 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012. Prior to this, following changes were made in the location of our registered office:

| Date | Particulars |
|-------------------------------------|--|
| On Incorporation August 10, 2000 | 2, Nehru Marg, Ghorpadi, Pune - 411001 |
| March 25, 2014 [#] | Our Registered office was shifted from the above location to C/o. Growel House, Akurli Road, Kandivali (East), Mumbai-400101 and the jurisdiction of Registrar of Companies, Pune, was changed to Registrar of Companies Mumbai, Maharashtra. |
| | Our Registered office was shifted from the above location to C/o Poona Bottling Company Private Limited., 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012 and the jurisdiction of Registrar of Companies was changed to Registrar of Companies, Mumbai to Registrar of Companies, Pune, Maharashtra. |

[#]The Company had passed resolution for change in Registered Office on May 16, 2011, however, Regional Director approved the application on March 25, 2014

Key Events and Milestones in the History of our Company

| Year | Particulars |
|------|---|
| 2000 | Digikore Studios Private Limited incorporated in Pune |
| 2005 | Digikore becomes a leading player in Animation Services with several clients in Europe and Asia |
| 2007 | Digikore forays into Coloring of Comics |
| 2011 | Digikore forays into VFX for Hollywood Films & TV Series and bags Ghost Rider: Spirit of Vengeance as 1 st project |
| 2011 | Digikore is awarded work on Titanic 3D. A huge moment in our history |
| 2017 | Digikore becomes a MPAA (Motion Pictures Association of America) approved VFX studio. |
| 2020 | Digikore becomes a TPN (Trusted Partner Network) audited and approved VFX studio. Also becomes a Netflix and Amazon approved VFX studio |
| 2021 | Digikore becomes among the first few VFX studios in India to get approved by Disney / Marvel. |

Our Main Object(s)

The main object(s) of our Company, as contained in our Memorandum of Association, are as set forth below:

To set up, own, construct, build maintain, take or give on lease different types of studios both for indoor and outdoor shooting and to produce, design, programme, job work, record, shoot, film, sale, purchase, market, import, export, train in, and trade in different types of 2D A 3D animation films both for domestic and international studios and markets and to shoot film, produce and deal in cartoon strips comic publishing, film making, television software and creating, distributing, selling and purchasing audio and video hardware / software such as jingles, television serials, music videos, Ad films, documentaries CD - Rom's on various

topics, developing and hosting 'web sites, video games, software with or without the help of computerized systems and artificial intelligence and other related fields.

Amendments to the Memorandum of Association

Since incorporation, the following changes have been made to our Memorandum of Association:

| Date of Shareholders Approval | Amendment |
|--------------------------------------|--|
| August 10, 2000 | Shifting of Registered Office of the Company from Pune to Mumbai along with change in Jurisdiction of ROC i.e. from Pune to Mumbai |
| September 28, 2001* | Increase in authorized share capital and consequent Alteration of Memorandum of Association of the Company. |
| September 28, 2001 | Conversion of Private Limited Company to Public Limited Company and subsequently change of name from “Digikore Studios Private Limited” to Digikore Studios Limited. |
| September 30, 2003* | Increase in authorized share capital and consequent Alteration of Memorandum of Association of the Company. |
| September 15, 2011 | Alteration in object clause by inserting new sub clause no. 66 to the Memorandum of Association of the Company. |
| September 24, 2013 | Conversion of Public Limited Company to Private Limited Company and subsequently change of name from “Digikore Studios Limited” to Digikore Studios Private Limited. |
| May 16, 2011# | Shifting of Registered Office of the Company from Mumbai to Pune along with change in Jurisdiction of ROC i.e. from Mumbai to Pune |
| May 10, 2021 | The Memorandum of Association of the Company be altered to incorporate the revisions in conformity with the provisions of Companies Act, 2013 and regulations contained in Table A in Schedule I of the Companies Act, 2013. |
| April 25, 2023 | Conversion of Private Limited Company to Public Limited Company and subsequently change of name from “Digikore Studios Private Limited” to Digikore Studios Limited. |
| July 11, 2023* | Increase in authorized share capital and consequent Alteration of Memorandum of Association of the Company. |

*For further details please refer chapter “Capital Structure” beginning on page 50 of this Draft Red Herring Prospectus.

#The Company had passed resolution for change in Registered Office on May 16, 2011, however, Regional Director approved the application on March 25, 2014.

Holding Company of our Company

As on the date of filing of this Draft Red Herring Prospectus, there is no Holding Company.

Subsidiary Company of our Company

As on date we have a wholly owned subsidiary company viz. Digikore Visual Effects Inc. For further details please refer chapter Our Subsidiary on page no. 127

Details of Mergers and Acquisitions

Our Company has not merged or amalgamated with any other company as on the date of filing of this Draft Red Herring Prospectus

Joint Ventures of our Company

Our Company does not have joint ventures as on the date of this Draft Red Herring Prospectus.

Injunctions or Restraining Orders

The Company is not operating under any injunction or restraining order.

Details of Past Performance

For details in relation to our financial performance in the previous three financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 131 of this Draft Red Herring Prospectus.

Shareholders Agreements

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Red Herring Prospectus.

Other Agreements

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business the following as on the date of filing of this Draft Red Herring Prospectus.

Guarantees Given by our Company

For details please refer to chapter titled “Financial Indebtedness” on Page No. 212 of this Draft Red Herring Prospectus.

Restrictive Covenants in Loan Agreements

For details related to restrictive covenants in loan agreements, please refer the chapter titled “Financial Indebtedness” on Page No. 212 of this Draft Red Herring Prospectus.

Strategic/ Financial Partners

Our Company has no strategic and financial partners as on the date of filing of this Draft Red Herring Prospectus.

Conversion of Loans into Equity Shares

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this Draft Red Herring Prospectus.

Capital raising activities through Equity

For details in relation to our capital raising activities through Equity, please see the chapters “Capital Structure” beginning on page 50 of this Draft Red Herring Prospectus.

Rating

Our Company does not have any rating valid at present as on the date of this Draft Red Herring Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions or Banks

Our Promoters have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years.

Number of Shareholders

Our Company has Fifteen (15) shareholders as on date of this Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENT AND OTHER AGREEMENT

Our Company has not entered into any shareholder's agreement as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors



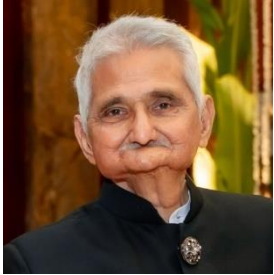

We are required to have not less than 3 directors and not more than 15 directors, subject to Section 149 of Companies Act, 2013. We currently have Five Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus other than Directorship in our Company:

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN | Other Directorships/Designated Partner |
|---------|---|--|
| 1) | <p>Name: Mr. Abhishek Rameshkumar More Date of Birth: June 19, 1977 Age: 46 Years Father's Name: Mr. Rameshkumar More Designation: Managing Director Address: 115, National Co-Op Housing Society, Baner Road, Aundh, Ganeshkhind, Pune-411007 Term: 5 years Nationality: Indian Occupation: Business DIN: 00139618</p> | <p>1. Growel Softech Private Limited 2. Gorav Investment Private Limited 3. Digikore Travels LLP 4. Waluj Beverages LLP 5. Digikore Design LLP 6. Conchact Mobile LLP 7. Shree M P J Cement Works LLP 8. Digikore Entertainment LLP</p> |
| 2) | <p>Name: Mr. Rohit Rameshkumar More Date of Birth: January 07, 1973 Age: 50 Years Father's Name: Mr. Rameshkumar More Designation: Executive Director Address: 115, National Co-Op Housing Society, Baner Road, Aundh, Ganeshkhind, Pune-411007 Term: Liable Retire by rotation Nationality: Indian Occupation: Business DIN: 00139797</p> | <p>1. Grauer and Weil (India) Limited 2. Poona Bottling Company Private Limited 3. Growel Sidasa Industries Private Limited 4. Growel Softech Private Limited 5. Grauer & Weil Engineering Private Limited 6. Digikore Travels LLP 7. Digikore Design LLP 8. Shree M P J Cement Works LLP 9. Waluj Beverages LLP 10. Digikore Entertainment LLP</p> |
| 3) | <p>Name: Mr. Rameshkumar More Date of Birth: June 30, 1950 Age: 73 Years Father's Name: Mr. Radhakishan More Designation: Non-Executive Director Address: 115, National Co-Op Housing Society, Baner Road, Aundh, Ganeshkhind, Pune-411007 Term: Liable Retire by rotation Nationality: Indian Occupation: Business DIN: 00140179</p> | <p>1. Growel Softech Private Limited 2. Indoswe Engineers Private Limited 3. Gorav Investment Private Limited 4. Waluj Beverages LLP</p> |
| 4) | <p>Name: Mr. Aqueel Mehboob Merchant Date of Birth: July 23, 1973 Age: 50 Years Father's Name: M S Allibhoy Designation: Additional Independent Director Address: Flat No. 1201, Tower-5, Amanora Park, Hadapsar, Amanora Road, Pune-411028 Term: 5years Nationality: Indian Occupation: Business DIN: 08042097</p> | <p>1. Prospeks Private Limited 2. Itechgenic Global Private Limited 3. Black Opal People Solutions Private Limited 4. Intothe Ally Business Mentors Private Limited 5. Sher-E-Space Technologies Private Limited 6. Sher E Space Ventures LLP</p> |
| 5) | <p>Name: Ms. Megha Virendra Raval Date of Birth: June 18, 1980 Age: 43 Years Father's Name: Mr. Virendra Raval Designation: Additional Independent Director Address: 204, Goldfinch, Nyati Enclave Cooperative Society, Opposite Delhi Public High School, Mohammad Wadi, Pune-411060 Term: 5years</p> | NIL |

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN | Other Directorships/Designated Partner |
|---------|--|--|
| | Nationality: Indian Occupation: Business DIN: 10241141 | |

Brief Biographies of our Directors

| | |
|---|---|
|  | <p>Mr. Abhishek Rameshkumar More (Managing Director)</p> <p>Mr. Abhishek Rameshkumar More, aged 46 years, is the Promoter and Managing Director of the Company. He has done Post Graduate diploma in business Entrepreneurship and management with specialisation in new enterprise creation.</p> <p>He is a visionary entrepreneur and the Founder of the Company, with more than twenty years of experience in content production and post-production for film and television, he has established himself as a proven leader in business strategy, strategic planning, marketing, and operations. As an entrepreneurial, pioneering, and techno-creative leader, he possesses disruptive ideas and a passion for achieving results. His exceptional problem-solving skills and out-of-the-box thinking make him adept at solving large-scale challenges. With a strong background in technology and creativity, coupled with excellent management skills, he actively contributes as an entrepreneur and investor, driving innovation and success at all levels.</p> |
|  | <p>Mr. Rohit Rameshkumar More (Director)</p> <p>Mr. Rohit Ramesh kumar More, aged 50 years, is the Director of our Company. He has done bachelor's Degree in Engineering from Bharati Vidyapeeth College of Engineering, Pune. With a strong foundation in new business development, adept team-building abilities, and a sharp acumen for business strategy, he possesses a skill set that propels organizations towards success. His expertise lies in identifying untapped market opportunities, forging strategic partnerships, and cultivating long-lasting client relationships. Armed with a keen eye for talent, he fosters cohesive and high-performing teams, empowering individuals to achieve their full potential.</p> |
|  | <p>Mr. Rameshkumar More (Non-Executive Director)</p> <p>Mr. Rameshkumar More aged 73 years have experience more than 50 years of experience in managing and growing businesses. A serial entrepreneur, he has played a very important role in the growth of the aerated beverage industry in India.</p> <p>His expertise lies in financial planning, forecasting and analysis.</p> |
|  | <p>Mr. Aqueel Mehboob Merchant (Additional Independent Director)</p> <p>Mr. Aqueel Mehboob Merchant, aged 50 years, is an Additional Independent Director of our Company. He has done Master Programme in Business Administration from Indian School of Business Management and Administration his expertise lies in Customer Relationship Management.</p> <p>For the last five years, he has dedicated himself to helping young entrepreneurs solve pertinent problems, apart from founding and heading a dev-ops company that is now up for acquisition.</p> |

| | |
|---|--|
|  | <p>Ms. Megha Virendra Raval (Additional Independent Director)</p> <p>Ms. Megha Virendra Raval, aged 43 years, is an Additional Independent Director of our Company. She has done Post Graduate Diploma in Business Administration in Finance from Mumbai and Bachelor in Business Administration from Gujarat University, Ahmedabad.</p> <p>She is results-oriented HR professional with a demonstrated proficiency in strategy development, market research, stakeholder management, best practices and executive search across diverse industries.</p> <p>She is well adept at formulating innovative strategies, conducting executive searches for top-tier talent, and adapting seamlessly to the unique demands of different industries.</p> |
|---|--|

Confirmations

As on the date of this Draft Red Herring Prospectus:

- 1) Mr. Abhishek Rameshkumar More and Mr. Rohit Rameshkumar More, are brothers and Mr. Rameshkumar More is the father of Mr. Abhishek RameshKumar More and Mr. Rohit Rameshkumar More. Apart from this none of the Directors of the Company are related to each other as per the definition provided in Section 2 (77) of the Companies Act, 2013.
- 2) There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- 3) The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- 4) None of the above-mentioned Directors are on the RBI List of willful defaulters.
- 5) Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
- 6) Our Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, have not been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority. For further details, refer Chapter titled "Outstanding Litigation and Material Developments" beginning on the page 213 of this Draft Red Herring Prospectus.
- 7) Our Promoter and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years.

Remuneration / Compensation of Directors

Directors of the Company may be paid monthly remuneration, sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations. For details regarding remuneration paid to directors kindly refer Annexure - Related Party Transaction of Restated Financial Statement beginning on page 131 of this Draft Red Herring Prospectus.

Shareholding of our Directors

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the Directors | No. of Equity Shares | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|-------------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1) | Mr. Abhishek Rameshkumar More | 7,90,500 | 15.59% | 12.48% |
| 2) | Mr. Rohit Rameshkumar More | 7,90,500 | 15.59% | 12.48% |
| 3) | Mr. Rameshkumar More | 4,000 | 0.08% | 0.06% |

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid such as rent paid on account of lease agreement or interest paid on any loan or advances provided to our company, or to anybody corporate including companies and firms, in which they are interested as directors, members or partners.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies and firms, if any, in which they are interested as directors, members, partner pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 110 and 129 respectively of this Draft Red Herring Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus except as mentioned chapter titled “Our Business” on page 84 of this Draft Red Herring Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Offer or any such intermediaries registered with SEBI.

Property Interest

Except as stated/referred to in the heading titled “Land & Properties” of “Our Business” beginning on page 84 of this Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Changes in our Board of Directors during the Last Three Years

| Name | Date of event | Nature of event | Remark |
|-------------------------------|----------------|-----------------------|-------------------------------------|
| Mr. Mohan Hirachand Palesha | April 13, 2023 | Cessation | Due to personal Reason |
| Mr. Abhishek Rameshkumar More | April 17, 2023 | Change in Designation | Appointed as Managing Director |
| Mr. Ramesh Kumar More | July 20, 2023 | Change in Designation | Appointed as Non-Executive Director |
| Mr. Aqueel Mehboob Merchant | July 20, 2023 | Appointment | Additional Independent Director |
| Ms. Megha Virendra Raval | July 20, 2023 | Appointment | Additional Independent Director |

Borrowing Powers of the Board

Pursuant to special resolution passed at Extra-Ordinary General Meeting of our Company held on July 21, 2023 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained

from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company, its free reserves and securities premium, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed ₹100.00 crore.

Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act, 2013 and as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Board has 5 (Five) Directors. We have 1 (One) Managing Director, 1(One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Independent Directors. The constitution of our Board is in compliance with the Companies Act, 2013.

The following committees have been formed in compliance with the corporate governance norms:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibility Committee

A) Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, vide resolution passed in the meeting of the Board of Directors held on July 20, 2023.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The committee presently comprises the following 3 (Three) Directors.

Composition of Audit Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|-------------------------------|
| Mr. Aqueel Mehboob Merchant | Chairman | Independent Director |
| Ms. Megha Virendra Raval | Member | Independent Director |
| Mr. Rohit Rameshkumar More | Member | Executive Director |

The Company Secretary of the Company acts as the Secretary to the Audit committee.

Role of the Audit Committee

- 1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors 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.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report.
- 5) Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Draft offer document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- 8) Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- 9) Scrutiny of inter-corporate loans and investments.
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary.
- 11) Evaluation of internal financial controls and risk management systems.
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14) Discussion with internal auditors on any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism, in case the same exists.

- 19) Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
- 20) To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- 21) Monitoring the end use of funds raised through public issue and related matters.

The Audit Committee shall mandatorily review the following information:

- 1) Management Discussion and Analysis of financial condition and results of operations.
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors.
- 4) Internal audit reports relating to internal control weaknesses.
- 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 6) Statement of deviations:
 - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
 - b) Annual statement of funds utilized for purposes other than those stated in the Draft Red Herring Prospectus/Prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Powers of the Audit Committee

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

B) Stakeholders Relationship Committee

Our Company has constituted a Stakeholders Relationship Committee to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted as per the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on July 20, 2023.

Composition of Stakeholders Relationship Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|-------------------------------|
| Mr. Ramesh Kumar More | Chairman | Non-Executive Director |
| Mr. Rohit Rameshkumar More | Member | Executive Director |
| Mr. Aqueel Mehboob Merchant | Member | Independent Director |

The Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- 1) Redressal of shareholders'/investors' complaints.
- 2) Reviewing on a periodic basis the approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- 3) Issue of duplicate certificates and new certificates on split/consolidation/renewal.
- 4) Non-receipt of declared dividends, balance sheets of the Company.
- 5) Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

C) Nomination and Remuneration Committees

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was approved by a Meeting of the Board of Directors held on July 20, 2023.

Composition of Nomination and Remuneration Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|-------------------------------|
| Mr. Aqueel Mehboob Merchant | Chairman | Independent Director |
| Ms. Megha Virendra Raval | Member | Independent Director |
| Mr. Rameshkumar More | Member | Non-Executive Director |

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

Role of Nomination and Remuneration Committee

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
- 2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 3) Devising a policy on diversity of Board of Directors.
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- 5) 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.
- 6) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

D) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

| Name of the Director | Status | Nature of Directorship |
|-------------------------------|---------------|-------------------------------|
| Mr. Abhishek Rameshkumar More | Chairman | Managing Director |
| Mr. Rameshkumar More | Member | Non-Executive Director |
| Ms. Megha Virendra Raval | Member | Independent Director |

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on July 20, 2023. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, including:

- a) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time

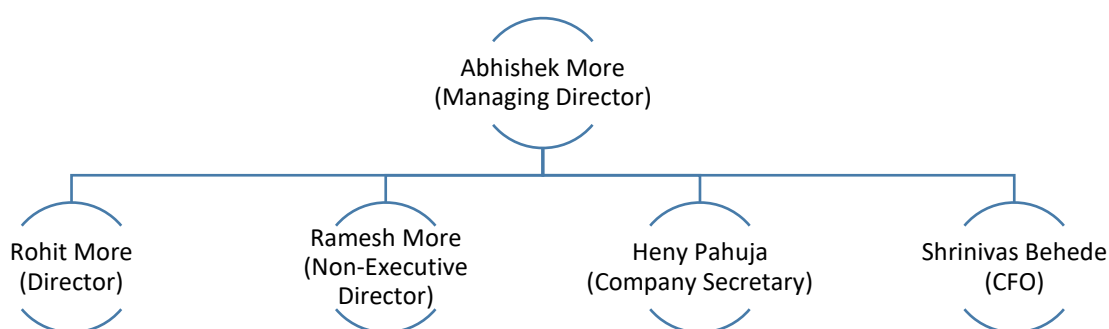
Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company’s shares on the Stock Exchange.

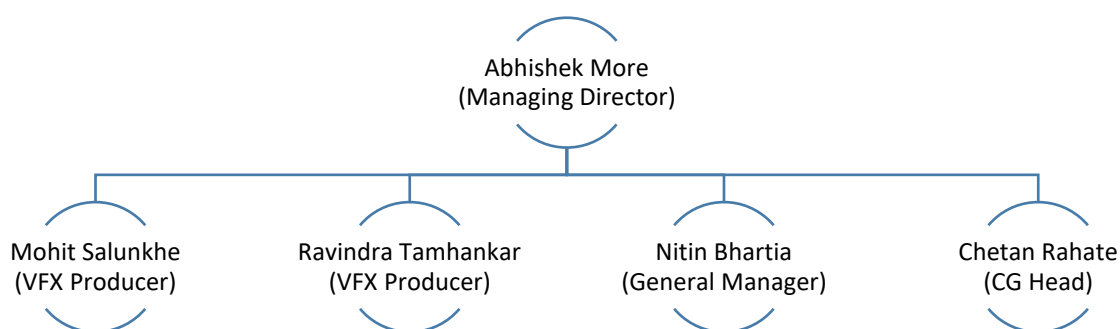
Mrs. Heny Pahuja, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANIZATIONAL STRUCTURE

Management Structure



Technical Structure



Key Managerial Personnel

In addition to our Managing Director Mr. Abhishek Rameshkumar More whose details are provided under "Brief biographies of the Directors" beginning on page 110 of this Draft Red Herring Prospectus, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

Mrs. Heny Pahuja (*Company Secretary & Compliance Officer*)

Heny Pahuja, aged 32 years is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since August 23, 2023. She holds a bachelors' degree in commerce from the University of Nagpur. She also holds a certificate of membership from the Institute of Company Secretaries of India. She has over 7 years of experience in secretarial compliance and well versed with corporate laws, securities laws and corporate governance matters. She has been entrusted with all the corporate and legal aspects of the Company. She handles all the regulatory and statutory compliances of the Company. At present, she assists and provides independent oversight in improving corporate credibility and governance standards of the Company.

Mr. Shrinivas Lakhichand Behede (*Chief Financial Officer*)

Mr. Shrinivas Lakhichand Behede aged 45 years has more than 20 years of experience in managing accounting, statutory compliance and planning and setting up control and worked in multinational company. He holds bachelor degree in commerce and completed intermediary of Chartered Accountancy.

Departmental/Functional head

Mr. Mohit Salunkhe, VFX Producer

Mr. Mohit Salunkhe, aged 39 years, is currently working as a VFX Producer in our company. With over 11 years of total experience in VFX, he has contributed to more than 100 Hollywood and Bollywood feature films, television shows, and commercials. He has completed his B.sc from Shivaji University Kolhapur.

He excels at coordinating with artists and clients from diverse backgrounds, fostering seamless collaboration within the production team. He adeptly manages projects, ensuring meticulous tracking and record-keeping while prioritizing tasks based on schedules and artist requirements.

Mr. Ravindra Tamhankar, VFX Producer

Mr. Ravindra Tamhankar, aged 42 years, is VFX Producer in our company. He manages the whole process of creating the VFX for film or TV. He makes sure that the client, usually the film or TV series producer or director is happy with what the VFX studio makes. He studied G D Art Painting, Fine/Studio Arts at Kalavishwa Mahavidyalaya, Sangli.

His skill set encompasses a wide range of competencies such as Visual Effects, Art, Film, Adobe Photoshop, and Compositing.

Mr. Nitin Bhartia, General Manager

Mr. Nitin Bhartia, aged about 36 years, he has done MBA in Marketing and Operations from ICFAI Business School Pune. He is a digital startup expert with 13+ years of Online Marketing strategy & consulting experience in the execution of projects dealing with Digital Marketing.

He takes charge of overseeing all digital initiatives for clients on a global scale and provides strategic consultation to small to mid-sized businesses worldwide, addressing their specific marketing requirements. His expertise lies in assisting business owners, decision-makers, and professionals in leveraging online marketing techniques to drive sales and generate leads, tailored to meet the unique marketing needs of their companies.

Mr. Chetan Rahate, Computer Graphics Head

Mr. Chetan Rahate, aged 34 years, he has done Beta Maya from Maya Academy of Advanced Cinematics, Mumbai. He is CG Head in our company for all kinds of CG and VFX for Films, OTTs, Commercials, Games, Music Videos, Industrial, and Educational. He is a key leader, overseeing the project through the production pipeline. Having pursued AD3D, Animation, Interactive Technology, Video Graphics, and Special Effects at the esteemed Maya Academy of Advanced Cinematics, achieved an outstanding Grade: A+ in his studies.

As a CG Generalist with a strong aesthetic sense, he stands out as an exceptional communicator. He demonstrates expertise in pipeline development and takes a proactive approach to identify opportunities to optimize workflows by implementing efficient processes and procedures.

Relationship between Directors

Except as mentioned below in the given table, none of the Directors of our company are related to each other as per section 2(77) of the Companies Act, 2013.

| Sr. No. | Name of the Director | Relationship | No. of Shares | % of pre-issue holding |
|---------|-------------------------------|--|---------------|------------------------|
| 1) | Mr. Abhishek Rameshkumar More | Son of Mr. Rameshkumar More | 7,90,500 | 15.59% |
| 2) | Mr. Rohit Rameshkumar More | Son of Mr. Rameshkumar More | 7,90,500 | 15.59% |
| 3) | Mr. Rameshkumar More | Father of Mr. Abhishek More and Mr. Rohit More | 4,000 | 0.08% |

Relationship between Key Managerial Personnel

There is no family relationship between the Key Managerial Personnel of our Company.

Family Relationships of Directors with Key Managerial Personnel

Mr. Rohit Rameshkumar More is the brother of Mr. Abhishek Rameshkumar More and Mr. Rameshkumar More is the father of Mr. Abhishek Rameshkumar More, apart from this none of the Directors of the Company are related to Key Managerial Personnel as per the definition provided in Section 2 (77) of the Companies Act, 2013.

Arrangements and Understanding with Major Shareholders

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel holds any Equity shares of our Company except Mr. Abhishek Rameshkumar More who holds 7,90,500 Equity shares of the Company as on the date of this Draft Red Herring Prospectus.

Bonus or Profit sharing plan of the Key Managerial Personnel

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel other than the loan, if any as mentioned in the chapter –Restated Financial statement page no 131

Interest of Key Managerial Personnel

The Key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration and reimbursement of expenses.

Except as stated/referred to in the heading titled “Land & Properties” of “Our Business beginning on page 84 of this Draft Red Herring Prospectus our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this Prospectus.

Changes in Key Managerial Personnel during Last Three (3) Years

The changes in the key managerial personnel in the last three years are as follows:

| Name of Managerial Personnel | Designation | Nature | Date of Event |
|-------------------------------------|--|-----------------------|----------------------|
| Mr. Abhishek Rameshkumar More | Managing Director | Change in Designation | April 17, 2023 |
| Mrs. Seema Munjaji Dhumal | Company Secretary and Compliance Officer | Appointment | April 17, 2023 |
| Mr. Shrinivas Lakhichand Behede | Chief Financial Officer | Appointment | April 17, 2023 |
| Mrs. Seema Munjaji Dhumal | Company Secretary and Compliance Officer | Resignation | August 23, 2023 |
| Mrs. Heny Pahuja | Company Secretary and Compliance Officer | Appointment | August 23, 2023 |

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

ESOP/ESPS Scheme to Employees

Presently, our company have enabled the ESOP Scheme for employees through board meeting dated July 31, 2023. As on date, no options are granted to any Employee pursuant to this Scheme.

Payment or Benefit to our Officers


Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements” beginning on page 131 of this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

Mr. Abhishek Rameshkumar More and M/s. Shree M P J Cement Works LLP are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 39,29,500 Equity Shares, equivalent to 77.47% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For further details on shareholding of our Promoters and Promoter Group, please see the section entitled “Capital Structure” on page 50.

The details of our Promoters are provided below:

1. Mr. Abhishek Rameshkumar More

| | |
|---|--|
|  | <p>Mr. Abhishek Rameshkumar More, aged 46 years, is the Promoter and Managing Director of the Company. He has done Post Graduate diploma in business Entrepreneurship and management with specialisation in new enterprise creation.</p> <p>He is a visionary entrepreneur and the Founder of the Company, with more than twenty years of experience in content production and post-production for film and television, he has established himself as a proven leader in business strategy, strategic planning, marketing, and operations. As an entrepreneurial, pioneering, and techno-creative leader, he possesses disruptive ideas and a passion for achieving results. His exceptional problem-solving skills and out-of-the-box thinking make him adept at solving large-scale challenges. With a strong background in technology and creativity, coupled with excellent management skills, he actively contributes as an entrepreneur and investor, driving innovation and success at all levels.</p> <p>His permanent account number is AAEPM7575N</p> |
|---|--|

2. M/s. Shree M P J Cement Works LLP

Corporate Information:

Initially the LLP was incorporated as Company on December 17, 1981 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of “Shree M P J Cement Works Private Limited’. Subsequently, the Company was converted into Limited Liability Partnership under the provision of Limited Liability Partnership Act, 2008 pursuant to which the name was changed to “Shree M P J Cement Works LLP” vide fresh certificate of Registration on conversion dated December 15, 2014 issued by Registrar of Companies. Pune.

The registered office of M/s. Shree M P J Cement Works LLP is 410/1/411/2 Bombay Pune Road, Dapodi, Pune-411012.

The LLPIN of the M/s. Shree M P J Cement Works LLP is **AAD-0582**

The Permanent Account Number of the M/s. Shree M P J Cement Works LLP is **ACUFS2016A**

M/s Shree M P J Cement Works LLP primarily engaged in the business of produce, manufacture, treat, process, refine, import, export, purchase, sell and to deal in, and to act as brokers, agents, stockists, distributors and suppliers of cement (whether ordinary, white, coloured, Portland, pozzolana, alumina, blast furnace, silica or otherwise), cement products such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden-wares, compounds, preparations and in connection therewith to take on lease or acquire, erect, construct, establish, operate and maintain cement factories, quarries, mines and workshops.

The following table sets forth details of the partners of M/s. Shree M P J Cement Works LLP, as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Partner | Designation | Capital (₹) | Profit/ Loss sharing ratio |
|---------|-------------------------------|--------------------|-------------|----------------------------|
| 1) | Mr. Abhishek Rameshkumar More | Designated Partner | 82,500.00 | 50.00% |
| 2) | Mr. Rohit Rameshkumar More | Designated Partner | 82,500.00 | 50.00% |

Details of Change in Control:

There has been change in the control of M/s. Shree M P J Cement Works LLP by way of Supplemental Agreement dated September 22, 2021 wherein Mrs. Prapti Abhishek More retired as Designated Partner and Mr. Abhishek More was appointed as Designated Partner. Further, vide Amended Agreement dated October 11, 2021, Mrs. Jhumka Rohit More has retired as partners and Mr. Rohit Rameshkumar More has been appointed as designated partners.

Further, there has been no change in the control of M/s. Shree M P J Cement Works LLP in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the PANs, bank account numbers, Aadhar card numbers, driving licence numbers and passport numbers of the partners of M/s. Shree M P J Cement Works LLP shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (pp) of SEBI (ICDR) Regulations, 2018 includes the following persons:

Individuals

The natural persons who are part of our Promoter Group (due to the relationship with our Promoter), other than the Promoter named above are as follows:

| Relationship | Mr. Abhishek Rameshkumar More |
|-------------------|--|
| Father | Mr. Rameshkumar More |
| Mother | Late Umadevi More |
| Spouse | Mrs. Prapti Abhishek More |
| Brother(s) | Mr. Rohit More and Mr. Gaurav More |
| Sister | - |
| Son(s) | Master Aaryan More and Master Abhimanyu More |
| Son's Wife | - |
| Daughter(s) | - |
| Daughters Husband | - |
| Spouse Father | Mr. Shishir Kumar Sah |
| Spouse Mother | Mrs. Sarita Sah |
| Spouse Brother | Mr. Prateek Kumar Sah |
| Spouse Sister | Mrs. Sangati Bansal |

Companies and Corporate entities forming part of our Promoter Group is as follows:

| Sr. No. | Name of Promoter Group Entity/Company |
|---------|---|
| 1) | Conchact Mobile LLP |
| 2) | Digikore Design LLP |
| 3) | Digikore Entertainment LLP |
| 4) | Digikore Travels LLP |
| 5) | Waluj Beverages LLP |
| 6) | Gorav Investment Private Limited |
| 7) | Growel Softech Private Limited |
| 8) | Tullu Domestic Appliances Private Limited |
| 9) | The Closet |

Other Undertakings and Confirmations

Our Company confirms that the PANs, bank account numbers, Aadhar card numbers, driving licence numbers and passport numbers of the partners of M/s. Shree M P J Cement Works LLP shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Common Pursuits of our Promoter Group

Except Digikore Entertainment LLP none of the Group Companies/Entities have objects similar to that of our Company's business, the details as mentioned in the Chapter "Our Group Entities" beginning on page 126 of this Draft Red Herring Prospectus. Currently we do not have any non-compete agreement/arrangement with any of our Group Companies /Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Interest of the Promoters

Interest in the promotion of Our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by him as well as his relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which he is interested as a director, member or partner.

Interest in the property of Our Company

Our Promoters do not have any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company except as mentioned in the Chapter "Our Business" beginning on page 84 of this Draft Red Herring Prospectus.

Interest as Member of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters Mr. Abhishek Rameshkumar More and M/s. Shree M P J Cement Works LLP hold an aggregate of 39,29,500 Equity Shares, equivalent to 77.47% of the pre-issued, subscribed and paid-up Equity Share capital of our Company and is therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company, our Promoters do not hold any other interest in our Company.

Payment Amounts or Benefit to our Promoter during the Last Two Years

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on pages 110, 131 and 50 respectively of this Draft Red Herring Prospectus. Further, as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoters.

Other Companies/Undertakings/Ventures of our Promoter

Except as disclosed in the chapter titled "Our Management" and "Our Group Entities" beginning on pages 110 and 126 respectively of this Draft Red Herring Prospectus, there are no Companies/Undertakings/Ventures promoted by our Promoters in which he has any business or any other interest.

Change in Control & Management

There has been no change in control and management of our company during the last three years immediately preceding the date of filing of the Draft Red Herring Prospectus.

Litigation involving our Promoter

For details of litigation involving our Promoters, refer chapter titled “Outstanding Litigation and Material Developments” beginning on page 213 of this Draft Red Herring Prospectus.

Companies with which our Promoters has disassociated in the last Three Years

Our Promoter has not disassociated himself as promoter from any Company in three years preceding the date of this Draft Red Herring Prospectus.

Confirmations

For details on litigations and disputes pending against the Promoters and defaults made by them including violations of securities laws, please refer to the section titled “Outstanding Litigation and Material Developments” on page 213 of this Draft Red Herring Prospectus. Our Promoters have not been declared as wilful defaulter by the RBI, fugitive economic offender under the Fugitive Economic Offenders Act, 2018 or any other governmental authority. Further, Our Promoters and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years.

OUR GROUP ENTITIES

The Board of Directors of the Company (“**Board**”) at their meeting held on July 20, 2023 discussed and approved the Policy with respect to Identification of Group Entities. This Policy shall be effective from the date of approval of the Policy by the Board.

In this regard, group companies of the Issuer (“**Group Companies**”), shall be companies with whom our Company has had related party transaction in the preceding financial year and stub period if any as per Restated financial statements and also other companies as considered ‘material’ by the Board.

For the purpose of disclosure in Draft Red Herring Prospectus/Red Herring Prospectus, a company shall be considered material and will be disclosed as a “**Group Company**” if:

- Our Company has entered into one or more transaction with such companies/entities in the preceding Financial year, cumulatively exceeding 15.00% of the total revenue of our company for such financial year and,
- In the opinion of the Board of Director, the event/the information is considered material.
- The above threshold shall be determined on the basis of audited consolidated financial statement of the company last audited financial year.

For avoidance of doubt, it is clarified that direct or indirect subsidiaries of the Issuer shall not be considered as ‘group companies’ for the purpose of disclosure in the Draft Offer Document/Offer Documents.

Accordingly, based on the parameters outlined above, our Company does not have any Group Company as on the date of this Draft Red Herring Prospectus.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has a wholly owned Subsidiary viz. Digikore Visual Effects Inc

Digikore Visual Effects Inc:

Corporate Information

Digikore Visual Effects Inc, Canada was incorporated on October 19, 2021 under the law Governed by the Québec Business Corporations Act (the “Act”). The Registered Office of the Company is located at 4388 Suite 200 #293 Saint-Denis Street Montreal Quebec H2J2L1, Canada.

The Company is engaged in the business of Production of films and visual material, Visual effects service for films and television.

List of Administrator

| Name | Designation |
|-------------------------------|--------------------|
| Mr. Abhishek Rameshkumar More | President |
| Mr. Rohit Rameshkumar More | Vice- President |

Shareholding pattern of the Company as on the date of this Draft Red Herring Prospectus is as follows

| Sr. No | Shareholder | No. of Shares | % of holding |
|---------------|--------------------------|----------------------|---------------------|
| 1. | Digikore Studios Limited | 100 | 100% |

Financial Information

(Amount in \$)

| Particulars | March 2023 | March 2022 |
|--------------------------|-------------------|-------------------|
| Total Asset | 31,089 | 100 |
| Total Liabilities | 31,089 | 100 |
| Total Shareholder Equity | 100 | 100 |
| Income | 1,70,515.44 | Nil |

Related Party Transactions within our Subsidiary and significance on the financial performance of our Company

Other than the transactions as disclosed under “Restated Statement of Related Party Transaction” in chapter “Restated Financial Statements” beginning on page 131, there are no other related business transactions with the Subsidiary Company that may have significance on the financial performance of our Company.

Outstanding litigation involving our Subsidiary

Other than as mentioned under chapter ‘Outstanding Litigation and Material Developments’ on page 213 of this Draft Red Herring Prospectus, there are no pending litigations involving the Subsidiary Company which may have a material impact on our Company.

Significant adverse factors relating to our Subsidiaries

Our Subsidiary is not a sick company nor is under winding up/insolvency proceedings.

Defunct Subsidiary

Our Subsidiary has not become defunct under and applicable Act and no application has been made to any regulatory bodies for striking off its name during the five years preceding the date of filing of this Draft Red Herring Prospectus.

Common pursuits of Subsidiary

The Subsidiary is engaged in business activities similar to that of our Company. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Accumulated Profits or Losses of our Subsidiary

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company as on the date of the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer Restated Financial Statement under the section titled, '*Restated Financial Statements*' beginning on page 131 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a Company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have not declared dividend in any financial year

SECTION VI-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF RESTATED STANDALONE FINANCIAL INFORMATION

To,
The Board of Directors,
Digikore Studios Limited,
(Formerly known as Digikore Studios Private Limited),
C/o Poona Bottling Co. Pvt. Ltd.,
410/1, 411/2, Mumbai Pune Road
Dapodi, Pune, Maharashtra- 411012

1. We have examined the attached restated standalone financial information of **Digikore Studios Limited (Formerly known as Digikore Studios Private Limited)** (hereinafter referred to as "the Company") comprising the restated statement of standalone assets and liabilities for June 30, 2023 and as at 31 March, 2023, 31 March 2022 & 31 March 2021 the restated statement of standalone profit & loss and the restated standalone cash flow statement for the period ended June 30, 2023 and on 31 March, 2023, 31 March 2022 & 31 March 2021, the standalone summary statement of significant accounting policies and other explanatory information (collectively the "restated standalone financial information"), as approved by the Board of Directors in their meeting held on 21 August 2023 and for the June 30, 2023 approved on 23 August, 2023 for the purpose of inclusion in the Draft Offer Document/Offer Document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") on the SME platform of Stock Exchange. These restated summary statements have been prepared 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 ("ICDR Regulations") as amended (ICDR Regulations); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the restated standalone financial information for the purpose of inclusion in the Draft Offer Document/Offer Document ("Offer Document") to be filed with the Securities and Exchange Board of India, Stock Exchanges, and Registrar of Companies, Pune, in connection with the proposed IPO. The restated standalone financial information have been prepared by the management of the Company for the period ended June 30, 2023 and on 31 March, 2023, 31 March 2022 & 31 March 2021 on the basis of preparation stated in note 2 to the restated standalone financial information. 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 standalone financial information. The board of directors are also responsible for identifying and ensuring that the company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such restated standalone financial information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 29 June 2023 in connection with the proposed IPO of equity shares 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 standalone financial information; 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 IPO.
 4. These restated standalone financial information have been compiled by the management from:
 - a. Audited standalone financial statements of the company for June 30, 2023 and as at and for the period ended on 31 March 2023, 31 March 2022 & 31 March 2021 (i.e. audited standalone for the period ended on 31 March 2021) prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act ("Indian GAAP"), read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India which was approved by the Board of Directors at their meetings for respective years.
 5. As indicated in our audit reports referred to above for the purpose of our examination, we have relied on:
 - a. Auditors report issued by the statutory auditor i.e. M/s. Palnitkar Patwardhan LLP, Chartered Accountant for the period ended 31 March 2023, 31 March 2022 & 31 March 2021 (i.e. audited standalone for the period ended on 31 March 2021). The audit were conducted by M/s. Palnitkar Patwardhan LLP, Chartered Accountant and accordingly reliance has been placed on the standalone audited financial statement examined by them for the said years. Financial reports included for the said years are solely based on reports submitted by them.
 6. Based on our examination and according to the information and explanations given to us, we are of the opinion that the restated standalone financial information:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors, and regrouping/reclassifications retrospectively in the financial period/year on June 30, 2023 and year ended ended on 31 March 2023, 31 March 2022, and 31 March 2021.
 - b. do not require any adjustment for modification as there is no modification in the underlying audit reports.
 - c. the preparation and presentation of the standalone financial information referred to above are based on the audited financial statements of the Company and are in accordance with the provisions of the Act, ICDR Regulations, and Guidance Note. The financial statements and information referred to above are the responsibility of the management of the Company.
 7. The restated standalone financial information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose standalone IGAAP financial information and audited standalone financial information mentioned in paragraph [4] above.
 8. In accordance with the requirements of Part I of Chapter III of the Act including rules made there under, ICDR Regulations, Guidance Note, and Engagement Letter, we report that:
 - a. The **"restated statement of standalone assets and liabilities"** as set out in the restated statement of assets and liabilities report, of the Company for the period ended June 30, 2023 and financial year on 31 March, 2023, 31 March 2022 and 31 March 2021 is prepared by the Company and approved by the Board of Directors. These restated summary statements of assets and liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more appropriately described in significant accounting policies and notes to accounts as set out in note2 to this report.
 - b. The **"restated statement of standalone profit and loss"** as set out in the restated statement of profit and loss report, of the Company for the period ended on June 30, 2023 and financial year ended 31 March, 2023, 31 March 2022 and 31 March 2021, is prepared by the Company and approved by the Board of Directors. These restated summary statements of profit and loss have

been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion was appropriate and appropriately described in significant accounting policies and notes to accounts as set out in note2 to this Report.

- c. The “**restated standalone statement of cash flow**” as set out in the restated statement of cash flow report, of the Company for the period ended on June 30, 2023 and Financial year ended 31 March, 2023, 31 March 2022 and 31 March 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more appropriately described in Significant Accounting Policies and Notes to Accounts as set out in Note2 to this Report.
9. We, M/s. Sharad Shah & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by the ICDR Regulations in relation to the proposed IPO.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in note 1 to note 38 of this report read with the respective significant accounting policies and notes to accounts as set out in Note 2 are prepared after adjusting and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.
12. 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 the period ended on June 30, 2023 and financial year ended on 31 March, 2023, 31 March 2022 and 31 March 2021 proposed to be included in the Draft Offer Document/Offer Document for the proposed IPO.

| | |
|---------|--|
| Note 1 | Corporate Information |
| Note 2 | Statement Of Significant Accounting Policies and Notes To The Restated Financial Information |
| Note 3 | Restated Statement of Share Capital |
| Note 4 | Restated Statement of Reserves & Surplus |
| Note 5 | Restated Statement of Long-Term Borrowings |
| Note 6 | Restated Statement of Long-Term Provisions |
| Note 7 | Restated Statement of Short-Term Borrowings |
| Note 8 | Restated Statement of Other Current Liabilities |
| Note 9 | Restated Statement of Short-Term Provisions |
| Note 10 | Restated Statement of Property,Plant and Equipment |
| Note 11 | Restated Statement of Intangible Assets |
| Note 12 | Restated Statement of Capital Work-In-Progress |
| Note 13 | Restated Statement of Non-Current Investments |
| Note 14 | Restated Statement of Deferred Tax Asset (Net) |
| Note 15 | Restated Statement of Long term Loans and Advances |
| Note 16 | Restated Statement of Other Non-Current Assets |
| Note 17 | Restated Statement of Trade Receivables (Current) |
| Note 18 | Restated Statement of Cash and Bank Balances (Current) |
| Note 19 | Restated Statement of Short term Loans and Advances |
| Note 20 | Restated Statement of Other Current Assets |
| Note 21 | Restated Statement of Revenue from Operations |

| | |
|---------|---|
| Note 22 | Restated Statement of Other Income |
| Note 23 | Restated Statement of Employee Benefit Expenses |
| Note 24 | Restated Statement of Finance Costs |
| Note 25 | Restated Statement of Depreciation And Amortization Expense |
| Note 26 | Restated Statement of Other Expenses |
| Note 27 | Restated Statement Earnings Per Share (EPS) |
| Note 28 | Restated Statement of Gratuity |
| Note 29 | Restated Statement of Leases |
| Note 30 | Restated Segment Information |
| Note 31 | Restated Statement of Related Party Transactions |
| Note 32 | Restated Statement of Contingent Liabilities |
| Note 33 | Restated Statement of Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 |
| Note 34 | Restated Statement of Earnings in Foreign Currency (accrual basis) |
| Note 37 | Restated Statement of Ratio Analysis and Its Elements |
| Note 38 | Restated Statement of Accounting and Other Ratios |

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, stock exchange and Registrar of Companies, Pune in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sharad Shah & Co.
Chartered Accountants
Firm Registration No.: 109931W

Sd/-
Sunil S Kadam
Partner
Membership No: 042756

UDIN :23042756BGVUYH2359
Date :21 August 2023
Place: Pune

Standalone Statement of Assets and Liabilities as restated

(Amount in INR lakh unless stated otherwise)

| EQUITY AND LIABILITIES | Notes | June 30, 2023 | As at March | | |
|--|-------|------------------|-----------------|---------------|---------------|
| | | | 2023 | 2022 | 2021 |
| Shareholders' funds | | | | | |
| Share capital | 3 | 118.40 | 118.40 | 118.40 | 118.40 |
| Reserves and surplus | 4 | 752.19 | 472.54 | 35.08 | (11.46) |
| | | 870.59 | 590.94 | 153.48 | 106.94 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 5 | 320.79 | 107.63 | 42.54 | 167.86 |
| Other long term Liabilities | | 1.00 | - | - | - |
| Long-term provisions | 6 | 45.41 | 42.99 | 53.40 | 14.16 |
| | | 367.20 | 150.62 | 95.94 | 182.02 |
| Current liabilities | | | | | |
| Short-term borrowings | 7 | 591.46 | 499.98 | 306.92 | 330.91 |
| Trade payables | 8 | - | - | - | - |
| • Total outstanding dues of micro enterprises and small enterprises | | - | 7.95 | - | - |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | | 209.98 | 248.10 | 102.44 | 121.00 |
| Other current liabilities | 8 | 150.11 | 213.78 | 132.52 | 18.28 |
| Short-term provisions | 9 | 320.46 | 201.11 | 33.88 | 38.68 |
| | | 1272.01 | 1,170.98 | 575.76 | 508.87 |
| TOTAL | | 2509.80 | 1,912.48 | 825.18 | 797.83 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment and intangible assets | | | | | |
| Property, plant & equipment | 10 | 210.20 | 217.22 | 235.35 | 75.31 |
| Intangible assets | 11 | 30.18 | 32.20 | 40.01 | 62.50 |
| Capital work-in-progress | 12 | 274.86 | 232.09 | - | - |
| Non-current investments | 13 | 144.27 | 144.27 | 144.21 | 144.21 |
| Deferred tax assets (net) | 14 | 33.01 | 33.01 | - | - |
| Long term loans and advances | 15 | 19.40 | 19.34 | 36.02 | 21.00 |
| Other non-current assets | 16 | 244.74 | 172.54 | 110.69 | 100.84 |
| | | 956.66 | 850.67 | 566.28 | 403.86 |
| Current assets | | | | | |
| Trade receivables | 17 | 1023.43 | 598.72 | 139.49 | 280.62 |
| Cash and bank balances | 18 | 1.63 | 1.19 | 1.17 | 2.57 |
| Short term loans and advances | 19 | 278.14 | 267.04 | 109.98 | 89.40 |
| Other current assets | 20 | 249.94 | 194.86 | 8.26 | 21.38 |
| | | 1553.14 | 1,061.81 | 258.90 | 393.97 |
| TOTAL | | 2509.80 | 1,912.48 | 825.18 | 797.83 |

Standalone Statement of Profit and Loss as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | June 30, 2023 | For the period ended March 31 | | |
|---|-------|------------------|----------------------------------|-----------------|---------------|
| | | | 2023 | 2022 | 2021 |
| INCOME | | | | | |
| Revenue from operations | 21 | 1182.68 | 3,443.98 | 2,488.18 | 487.32 |
| Other income | 22 | 0.31 | 111.85 | 0.21 | 128.21 |
| Total Revenue | | 1182.99 | 3,555.83 | 2,488.39 | 615.53 |
| EXPENSES | | | | | |
| Cost of Technical Subcontractors | | 112.93 | 735.22 | 1,235.92 | 230.54 |
| Employee benefits expense | 23 | 375.34 | 1,165.23 | 539.49 | 162.55 |
| Finance costs | 24 | 38.01 | 71.47 | 39.89 | 73.20 |
| Depreciation and amortization expense | 25 | 18.86 | 103.80 | 91.89 | 25.72 |
| Other expenses | 26 | 254.24 | 907.30 | 476.80 | 120.90 |
| Total Expenses | | 799.38 | 2,983.02 | 2,383.99 | 612.91 |
| Profit before tax | | 383.61 | 572.81 | 104.40 | 2.62 |
| Tax expenses: | | | | | |
| Current tax | | | | | |
| Pertaining to profit for the current period | | 103.96 | 163.26 | 57.86 | 0.82 |
| Adjustment of tax relating to earlier periods | | - | 5.10 | - | - |
| Deferred tax | | - | (33.01) | - | - |
| Total tax expense | | 103.96 | 135.35 | 57.86 | 0.82 |
| Profit for the year | | 279.65 | 437.46 | 46.54 | 1.80 |

Standalone Statement of Cash flow as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | June 30, 2023 | For the period ended March 31 | | |
|--|------------------|----------------------------------|-----------------|-----------------|
| | | 2023 | 2022 | 2021 |
| Cash Flow from operating activities | | | | |
| Profit before tax | 383.61 | 572.81 | 104.40 | 2.62 |
| Adjustment to reconcile profit before tax to net cash flows | | | | |
| Depreciation/ amortization | 18.86 | 103.80 | 91.89 | 25.72 |
| Interest expense | 38.01 | 71.47 | 39.89 | 73.20 |
| Dividend (income) | - | 0.05 | 0.05 | - |
| Operating profit before working capital changes | 440.48 | 748.13 | 236.23 | 101.54 |
| Movements in working capital: | | | | |
| Increase / (decrease) in trade payables | (46.07) | 153.61 | (18.56) | 35.43 |
| Increase / (decrease) in provisions | 17.81 | (11.53) | (23.46) | 44.30 |
| Increase / (decrease) in other liabilities | (62.67) | 81.32 | 114.25 | (34.79) |
| Decrease / (increase) in trade receivables | (424.71) | (459.23) | 141.13 | 32.81 |
| Decrease / (increase) in loans and advances | (11.16) | (140.44) | (35.60) | (94.05) |
| Decrease / (increase) in other current assets | (127.28) | (248.45) | 3.28 | 101.64 |
| Cash generated from / (used in) operations | (213.60) | 123.41 | 417.27 | 186.88 |
| Direct taxes paid (net of refunds) | - | - | - | - |
| Net cash flow from/ (used in) operating activities (A) | (213.60) | 123.41 | 417.27 | 186.88 |
| | | | | |
| Cash Flow from investing activities | | | | |
| Purchase of property, plant and equipment, including CWIP and capital advances | (52.60) | (313.31) | (229.42) | (9.39) |
| Proceeds from sale of property, plant and equipment | - | 3.35 | - | - |
| Purchase of non-current investments | - | (0.06) | - | (142.00) |
| Dividends received | - | (0.05) | (0.05) | - |
| Net cash flow from/ (used in) investing activities (B) | (52.60) | (310.07) | (229.47) | (151.39) |
| | | | | |
| Cash Flow from financing activities | | | | |
| Proceeds from long-term borrowings | 213.16 | 65.09 | - | - |
| Repayment of long-term borrowings | - | - | (125.33) | (33.51) |
| Proceeds from short-term borrowings | - | 193.06 | - | 71.33 |
| Repayment of short-term borrowings | 91.48 | - | (23.98) | - |
| Interest paid | (38.01) | (71.47) | (39.89) | (73.20) |
| Net cash flow from/ (used in) in financing activities (C) | 266.63 | 186.68 | (189.20) | (35.38) |
| | | | | |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 0.43 | 0.02 | (1.40) | 0.11 |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | | | |
| Cash and cash equivalents at the beginning of the year | 1.19 | 1.17 | 2.57 | 2.46 |
| Cash and bank balances at the end of the year | 1.62 | 1.19 | 1.17 | 2.57 |
| | | | | |
| Components of cash and cash balances | | | | |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| – On current accounts | 0.31 | - | - | 2.09 |
| Cash on hand | 1.32 | 1.19 | 1.17 | 0.48 |
| Total cash and bank balances at end of the year | 1.63 | 1.19 | 1.17 | 2.57 |

Restated notes to Standalone financial statements

1. Corporate Information

Digikore Studios Limited ("The Company") formerly known as **Digikore Studios Private Limited** is a public limited company incorporated in India. The address of its registered office is C/o Poona Bottling Co. Pvt. Ltd., 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune- 411012.

The Company was incorporated on July 25th, 2000 having corporate identification number of company-U92112PN2000PLC157681.

The Company is engaged in the business of post production activities such as VFX, Animation, Visual Effects, and Video Graphics including digital intermediate, and other technical and creative services to the Media and Entertainment industry.

2. Basis of preparation

The restated summary statement of assets and liabilities of the Company as at March 31, 2023, March 31, 2022, 2021 and the related restated summary statement of profits and loss and cash flows for the year ended March 31, 2023, March 31, 2022, and 2021 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements for the year ended on March 31, 2023, March 31, 2022 and 2021. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE in connection with its proposed IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

2.1 Restated significant accounting policies

(A) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(B) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the

recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as 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.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(C) Depreciation on property, plant and equipment

The Company has applied useful lives prescribed in Schedule II to the Companies Act 2013 which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV of the Companies Act, 1956. Also, based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of fixed assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation on property, plant and equipment is calculated on a written down value using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its property, plant and equipment.

| | Useful lives estimated by the management (years) |
|------------------------------------|---|
| Computers - server | 3.00 |
| Computers - peripheral and desktop | 1.50-3.00 |
| Plant and equipments | 5.00 |
| Furniture and fixtures | 4.00 |
| Office equipment | 2.25 |

The management has estimated the useful lives of the following classes of assets.

- Plant and equipment, Furniture and fixtures, Office equipment and vehicles are depreciated over the estimated useful lives of 5 years, 4 years, 2.25 years and 3.25 years, respectively, which are lower than those indicated in schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(D) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. 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 and 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.

A summary of amortization policies applied to the company's intangible assets is as below:

| | |
|-------------------|---------|
| Computer software | 3 years |
|-------------------|---------|

(E) 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.

(F) 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. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Income from services

Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of Goods & Services Tax.

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.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(G) Foreign currency transactions and balances'

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment and intangible assets are capitalized and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Translation of integral and non-integral foreign operation

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(H) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. 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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The company operates two defined benefit plans for its employees, viz., gratuity . The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(I) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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.

(J) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(K) Contingent liabilities

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.

(L) 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 with an original maturity of three months or less.

(M) NOTES ON RECONCILIATION OF RESTATED PROFITS

Reconciliation of Restated Profits is stated as follows:

| | For the period ended March 31, 2023 | For the period ended March 31,2022 | As at April 01, 2021 |
|--|--|---------------------------------------|-------------------------|
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 403.58 | 46.69 | 3.42 |
| Adjustments:- | | | |
| Effect of reversal of inventory | (186.60) | 13.12 | 1.83 |
| Effect of recognition of unbilled revenue | 186.60 | (13.12) | (1.83) |
| Effect of restatement of Foreign debtor outstanding at year end | 3.19 | 0.93 | (0.97) |
| Effect of recognition of interest expense | (2.32) | (1.08) | (0.65) |
| Effect of recognition of investment in subsidiary | 0.06 | - | - |
| Deferred tax asset recognition | 33.01 | - | - |
| Net Profit/ (Loss) After Tax as Restated | 437.52 | 46.54 | 1.80 |

Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

I. Reversal of inventory: Inventory included unbilled revenue on contracts has now been restated and reclassified as unbilled revenue as per IGAAP

II. Recognition of unbilled Revenue: Unbilled revenue was earlier recognised as inventory has been reclassified as per IGAAP.

III. Restatement of Foreign debtors: The Company has not restated foreign debtors outstanding at the year has been as per IGAAP, which has now been restated and reclassified for the respective years.

IV. Recognition of interest expense: The company has not made provision for interest accrued but not due on borrowing which has now been restated and reclassified to the respective years.

V. Recognition of investment in subsidiary: The company has expensed out investment in subsidiary during financial year 2022-23, which has now been restated and reclassified.

VI. Recognition of deferred tax: The company has not recognised deferred tax in the audited financials, hence the same has been recognised in restated financial statement and total impact is recognised in Financial year 2022-23.

(N) NOTES ON RECONCILIATION OF RESTATED NETWORK

Reconciliation of Restated Net-worth is stated as follows:

| | For the period ended March 31, 2023 | For the period ended March 31,2022 | As at April 01, 2021 |
|--|--|---------------------------------------|-------------------------|
| Equity / Net worth As per Audited Financials | 558.82 | 155.24 | 108.56 |
| Adjustments for : | | | |
| Opening balance adjustments | (1.76) | (1.61) | - |
| Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial | 33.94 | (0.15) | (1.62) |
| Equity / Net worth As Restated | 591.00 | 153.48 | 106.94 |

Explanatory notes to the above restatements to net-worth made in the audited Standalone Financial Statements of the Company for the respective years:

I. Change in Profit/(Loss): Refer Note M above.

II. Adjustments Having No Impact On Networth And Profit:

Material Regrouping –

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

3. Share Capital

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|---------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Authorized shares | | | | |
| 12,50,000 (March 31, 2021: 12,50,000) equity shares of Rs.10 each | 125.00 | 125.00 | 125.00 | 125.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| 11,84,000 (March 31, 2021: 11,84,000) equity shares of Rs.10 each | 118.40 | 118.40 | 118.40 | 118.40 |
| Total issued, subscribed and fully paid-up share capital | 118.40 | 118.40 | 118.40 | 118.40 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Particulars | June 30, 2023 | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|--------------------------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | | No. shares | INR Lakhs | No. shares | INR Lakhs | No. shares | INR Lakhs |
| At the beginning of the period | 11.84 | 11.84 | 118.40 | 11.84 | 118.40 | 11.84 | 118.40 |
| Issued during the period | - | - | - | - | - | - | - |
| Outstanding at the end of the period | 11.84 | 11.84 | 118.40 | 11.84 | 118.40 | 11.84 | 118.40 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

| Name of shareholder | June 30, 2023 | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
| | | No. Shares | INR Lakhs | No. Shares | INR Lakhs | No. Shares | INR Lakhs |
| <i>Equity shares of INR10 each fully paid</i> | | | | | | | |
| Rohit Rameshkumar More | 1.99 | 1.99 | 19.91 | 1.99 | 19.91 | - | - |
| Abhishek Rameshkumar More | 1.99 | 1.99 | 19.91 | 1.99 | 19.91 | - | - |
| Shree M P J Cement Works LLP | 7.85 | 7.85 | 78.48 | 7.85 | 78.48 | 7.85 | 78.48 |
| Mrs.Umadevi R More | - | - | - | - | - | 3.98 | 39.83 |

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 ownerships of shares.

(d) Details of shares held by promoters

| Name of shareholder | March 31, 2023 | | March 31, 2022 | | April 01, 2021 | |
|----------------------------|----------------|-----------|----------------|-----------|----------------|-----------|
| | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding |
| Rohit Rameshkumar More | 1,99,125 | 16.82% | 1,99,125 | 16.82% | - | 0.00% |
| Abhishek Rameshkumar More | 1,99,125 | 16.82% | 1,99,125 | 16.82% | - | 0.00% |
| Waluj beverages LLP | 1,000 | 0.08% | 1,000 | 0.08% | 1,000 | 0.08% |
| Shree MPJ Cement Works LLP | 7,84,750 | 66.28% | 7,84,750 | 66.28% | 7,84,750 | 66.28% |
| Mrs. Umadevi R More | - | 0.00% | - | 0.00% | 3,98,250 | 33.64% |

4. Reserves & surplus

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|---------------|----------------|--------------|----------------|
| | | 2023 | 2022 | 2021 |
| General reserve | | | | |
| Balance as per the last financial statements | 472.54 | 35.08 | (11.46) | (13.26) |
| Add: amount transferred from surplus balance in the statement of profit and loss | 279.65 | 437.46 | 46.54 | 1.80 |
| Closing Balance | 752.19 | 472.54 | 35.08 | (11.46) |
| Surplus/ (deficit) in the statement of profit and loss | | | | |
| Balance as per last financial statements | - | - | - | - |
| Profit for the year | 279.65 | 437.46 | 46.54 | 1.80 |
| Transfer to general reserve | (279.65) | (437.46) | (46.54) | (1.80) |
| Total appropriations | | | | |
| Net surplus in the statement of profit and loss | - | - | - | - |
| Total reserves and surplus | 752.19 | 472.54 | 35.08 | (11.46) |

5. Long-term borrowings

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|---------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Term loans | | | | |
| Indian rupee loan from banks | 115.18 | 82.37 | 229.30 | 167.86 |
| From financial institutions | 299.09 | 50.68 | - | - |
| | 414.27 | 133.05 | 229.30 | 167.86 |
| The above amount includes | | | | |
| Secured borrowings | 115.18 | 82.37 | 228.17 | 167.86 |
| Unsecured borrowings | 299.09 | 50.68 | 1.13 | - |
| Amount disclosed under the head "Other current liabilities" (note 9) | - | - | 3.90 | - |
| Amount disclosed under the head "short-term borrowings" (note 8) | 93.48 | 25.42 | 182.86 | - |
| Net amount | 320.79 | 107.63 | 42.54 | 167.86 |

1) Indian rupees loan is borrowed from Saraswat Co-operative Bank for acquisition of vehicles and carries interest rate of 7.75%- 8.60% and this loan has primary collateral by first charge by way of hypothecation against the vehicles.

2) Borrowing from L&T Finance limited is unsecured and carries interest rate of 16.50%.

6. Other long-term liabilities

(Rs. In Lakhs)

| Particulars | As at June 30, 2023 | As at March 31 | | |
|----------------------------|---------------------------|----------------|----------|----------|
| | | 2023 | 2022 | 2021 |
| Security deposits received | 1.00 | - | - | - |
| Total | 1.00 | - | - | - |

6. Long-term provisions

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|--------------|--------------|
| | | 2023 | 2022 | 2021 |
| Provision for employee benefits | | | | |
| Provision for gratuity | 35.98 | 34.03 | 39.15 | 13.14 |
| Provision for leave benefits | 9.43 | 8.96 | 14.25 | 1.02 |
| Total | 45.41 | 42.99 | 53.40 | 14.16 |

7. Short-term borrowings

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Cash credit from banks (secured) | 397.33 | 383.38 | 7.81 | 95.84 |
| | | | | - |
| Working capital loan from banks | 42.76 | 48.41 | 29.04 | - |
| Working capital loan from financial institutions | 20.98 | 20.46 | - | 43.02 |
| Interest free loan and advances from related parties repayable on demand (unsecured) | 36.91 | 22.31 | 87.21 | 192.05 |
| Current maturities of long-term borrowings (note 5) | 93.48 | 25.42 | 182.86 | - |
| | | | | |
| Total | 591.46 | 499.98 | 306.92 | 330.91 |
| | | | | |
| The above amount includes | | | | |
| Secured borrowings | 397.33 | 430.54 | 273.21 | 138.86 |
| Unsecured borrowings | 194.13 | 69.44 | 33.71 | 192.05 |

- 1) Cash credit from Bajaj Finance Limited carries interest rate of 8.50 % with a total limit of 15 crores. The cash credit is repayable on demand and is unsecured.
- 2) Cash credit from ICICI Bank carries interest rate of 8.75% (Repo rate +2.10%) with a total limit of 4.65 crores. The cash credit is repayable on demand and the same is secured against:
 - a) Hypothecation of Stock, book debts, bills & receivables.
 - b) Unconditional & irrevocable guarantees of
 1. Rohit More (Director)
 2. Abhishek More (Director)
 3. Shree MPJ Cement Works LLP (Corporate Guarantor) (Major shareholding)
 - c) Residential flats held as Investment property

8. Other current liabilities

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Trade payables | | | | |
| • total outstanding dues of micro enterprises and small enterprises (refer note 33 for details of dues to micro and small enterprises) | - | 7.95 | - | - |
| • total outstanding dues of creditors other than micro enterprises and small enterprises | 209.98 | 248.10 | 102.44 | 121.00 |
| | 209.98 | 256.05 | 102.44 | 121.00 |
| Other liabilities | | | | |
| Employee related liabilities | 126.42 | 129.52 | 109.05 | - |
| Advance from customers | 0.54 | 3.02 | 2.12 | 0.27 |
| Interest accrued but not due on borrowings | 8.86 | 4.05 | 6.62 | 0.65 |
| Others | - | - | - | - |
| TDS payable | 3.56 | 41.86 | 8.46 | 17.36 |
| Other statutory dues payable | 10.73 | 35.39 | 6.27 | - |
| | 150.11 | 213.84 | 132.52 | 18.28 |
| Total | 360.09 | 469.89 | 234.96 | 139.28 |

Trade payable ageing schedule

For June 30, 2023

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | Total |
|--|--|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | More than 2 years | |
| Undisputed trade payables | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | 360.09 | | | 360.09 |
| Disputed trade payables | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| Total | 360.09 | - | - | 360.09 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | 7.95 | - | - | - | 7.95 |
| - dues of creditors other than micro enterprises and small enterprises | 248.10 | | | | 248.10 |
| Disputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | 256.05 | - | - | - | 256.05 |

As at March 31, 2022

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | 102.44 | - | - | - | 102.44 |
| | | | | | |
| Disputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | 102.44 | - | - | - | 102.44 |

As at March 31, 2021

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | 121.00 | - | - | - | 121.00 |
| | | | | | |
| Disputed trade payables | | | | | - |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | 121.00 | - | - | - | 121.00 |

9. Short-term provisions

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|---------------|----------------|--------------|--------------|
| | | 2023 | 2022 | 2021 |
| Provision for employee benefits | | | | |
| Provision for gratuity | 19.30 | 19.30 | 6.43 | - |
| Provision for leave benefits | 8.92 | 8.92 | 3.45 | - |
| | | | | |
| Other provisions | | | | |
| Provision for expenses | 30.46 | 35.30 | 11.09 | 38.68 |
| Provision for taxation (net of Advance income-tax) | 261.78 | 137.59 | 12.91 | - |
| | | | | |
| Total | 320.46 | 201.11 | 33.88 | 38.68 |

Note 10: Property, plant and equipment

(Rs. In Lakhs)

| Particulars | Plant and machinery | Vehicle | Furniture and fixtures | Computers | Office equipments | Total |
|----------------------|---------------------|---------|------------------------|-----------|-------------------|--------|
| Cost | | | | | | |
| As at March 31, 2022 | 3.36 | 165.49 | 206.61 | 157.62 | 48.66 | 581.74 |

| | | | | | | |
|------------------------------------|-------------|---------------|---------------|---------------|--------------|---------------|
| Additions | - | 35.49 | 23.86 | 2.09 | 9.30 | 70.74 |
| Disposals | - | (42.16) | - | - | - | (42.16) |
| As at March 31, 2023 | 3.36 | 158.82 | 230.47 | 159.71 | 57.96 | 610.32 |
| Depreciation and impairment | | | | | | |
| As at March 31, 2021 | 0.65 | 63.12 | 46.99 | 130.92 | 38.64 | 280.32 |
| Charge for the year | - | 27.63 | 23.05 | 10.37 | 5.02 | 66.07 |
| Disposals | - | - | - | - | - | - |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at March 31, 2022 | 0.65 | 90.75 | 70.04 | 141.29 | 43.66 | 346.39 |
| Charge for the year | - | 33.47 | 41.53 | 7.73 | 2.77 | 85.50 |
| Disposals | - | 38.81 | - | - | - | 38.81 |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at March 31, 2023 | 0.65 | 85.41 | 111.57 | 149.02 | 46.43 | 393.08 |
| Charge for the year | 0.14 | 5.73 | 7.94 | 1.64 | 1.40 | 16.85 |
| Disposals | - | - | - | - | - | - |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at June 30, 2023 | 0.79 | 91.14 | 119.51 | 150.66 | 47.83 | 409.93 |
| Net block | | | | | | |
| As at March 31, 2021 | - | 18.52 | 21.55 | 25.23 | 10.02 | 75.32 |
| As at March 31, 2022 | 2.71 | 74.74 | 136.57 | 16.33 | 5.00 | 235.35 |
| As at March 31, 2023 | 2.71 | 73.41 | 118.90 | 10.69 | 11.53 | 217.24 |
| For June 30, 2023 | 2.57 | 67.66 | 117.41 | 9.20 | 13.36 | 210.20 |

Note 10.1: Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in note 5.

Note 10.2: The Company has not revalued its property, plant and equipment during the year ended March 31, 2023, March 31, 2022 and April 01, 2021.

Note 11: Intangible assets

(Rs. In Lakhs)

| Particulars | Computer software | Total |
|-----------------------------|-------------------|---------------|
| Cost | | |
| As at March 31, 2021 | 355.26 | 355.26 |
| Additions | 3.32 | 3.32 |
| As at March 31, 2022 | 358.58 | 358.58 |
| Additions | 10.48 | 10.48 |
| As at March 31, 2023 | 369.06 | 369.06 |
| Addition | - | - |
| As at June 30, 2023 | | |
| Amortization | | |
| As at March 31, 2021 | 292.76 | 292.76 |
| Charge for the year | 25.82 | 25.82 |
| As at March 31, 2022 | 318.58 | 318.58 |
| Charge for the year | 18.29 | 18.29 |
| As at March 31, 2023 | 336.87 | 336.87 |
| Change for the year | 2.01 | 2.01 |
| As at June 30, 2023 | 338.88 | 338.88 |
| Net block | | |
| As at March 31, 2021 | 62.50 | 62.50 |
| As at March 31, 2022 | 40.00 | 40.00 |
| As at March 31, 2023 | 32.19 | 32.19 |
| For June 30, 2023 | 30.18 | 30.18 |

Note 12.1: Though the Company has fully amortised computer software asset, the same is still under use for business purpose.

Note 12: Capital work in progress

Note 12.1: The movement in capital work in progress is as under:

(Rs. In Lakhs)

| Particulars | For June 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|-------------------|----------------------|----------------------|----------------------|
| As at the beginning of the year | 232.09 | - | - | - |
| Additions during the year | 42.77 | 232.09 | - | - |
| Capitalisation during the year | - | - | - | - |
| As at the end of the year | 274.86 | 232.09 | - | - |

Note 12.2: Capital work in progress ageing schedule

As at June 30, 2023

(Rs. In Lakhs)

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|--------------------------------|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 274.86 | - | - | - | 274.86 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 274.86 | - | - | - | 274.86 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|--------------------------------|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 232.09 | - | - | - | 232.09 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 232.09 | - | - | - | 232.09 |

Note 12.3: There are no projects in capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

13. Non-current investments

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|---------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Investment property (at cost less accumulated depreciation) | | | | |
| Cost of Residential flat | 142.00 | 142.00 | 142.00 | 142.00 |
| Less: Accumulated depreciation | - | - | - | - |
| | 142.00 | 142.00 | 142.00 | 142.00 |
| Non-trade investments (valued at cost unless stated otherwise) | | | | |
| Investment in subsidiary company | | | | |
| 100 equity shares (31 March 2022: NIL) in Digikore Visual Effects Inc. | 0.06 | 0.06 | - | - |
| Investment in mutual funds | 2.21 | 2.21 | 2.21 | 2.21 |
| 100.148 unit (31 March 2022: 100.148 unit) Current NAV Rs. 2,401.6342 in LFGP IDBI liquid fund | 2.27 | 2.27 | 2.21 | 2.21 |
| Total | 144.27 | 144.27 | 144.21 | 144.21 |

14. Deferred tax asset (net)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|----------------|----------------|------|------|
| | | 2023 | 2022 | 2021 |
| Deferred tax liability | | | | |
| Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | (15.09) | (15.09) | - | - |
| Gross deferred tax liability | (15.09) | (15.09) | - | - |

| | | | | |
|---|--------------|--------------|---|---|
| Deferred tax asset | | | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 17.92 | 17.92 | - | - |
| Others | - | - | - | - |
| Gross deferred tax asset | 17.92 | 17.92 | - | - |
| Net deferred tax asset | 33.01 | 33.01 | - | - |

15. Long term loans and advances

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|---------------|----------------|--------------|--------------|
| | | 2023 | 2022 | 2021 |
| Loan and advances to related parties (note 31) | | | | |
| Unsecured, considered good | 19.40 | 19.34 | 36.02 | 21.00 |
| Total | 19.40 | 19.34 | 36.02 | 21.00 |

16. Other non-current assets

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|---------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Security deposits | | | | |
| Secured, considered good | | - | - | - |
| Unsecured, considered good | 177.80 | 105.60 | 25.08 | 15.23 |
| Doubtful | - | - | - | - |
| | 177.80 | 105.60 | 25.08 | 15.23 |
| Provision for doubtful security deposit | | - | - | - |
| | 177.80 | 105.60 | 25.08 | 15.23 |
| Others | | | | |
| Cost of tenancy rights* | 66.94 | 66.94 | 85.61 | 85.61 |
| Total | 66.94 | 172.54 | 110.69 | 100.84 |

* Cost of tenancy rights are recognised on investment property for which possession is not yet given by the developer.

17. Trade receivables (current)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|------------------------------------|---------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | 1023.43 | 598.72 | 139.49 | 280.62 |
| Doubtful | - | - | - | - |
| | 1023.43 | 598.72 | 139.49 | 280.62 |
| Provision for doubtful receivables | - | - | - | - |
| | 1023.43 | 598.72 | 139.49 | 280.62 |

Trade receivables ageing: -

For June 30, 2023

(Rs. In Lakhs)

| Particulars | Current but not due | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|---------------------|--------------------|--------------------|-------------------|-----------------|
| Undisputed trade receivables | | | | | |
| - considered good | - | 1,023.43 | - | - | 1,023.43 |
| - which have significant increase in credit risk | - | - | - | - | - |
| - credit impaired | - | - | - | - | - |
| Disputed trade receivables | | | | | |
| - considered good | - | - | - | - | - |

| | | | | | |
|--|---|-----------------|---|---|-----------------|
| - which have significant increase in credit risk | - | - | - | - | - |
| - credit impaired | - | - | - | - | - |
| Total | - | 1,023.43 | - | - | 1,023.43 |
| Less: Allowances for doubtful debts | - | - | - | - | - |
| Total | - | 1,023.43 | - | - | 1,023.43 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|--------------------|--------------------|-------------------|---------------|
| Undisputed trade receivables | | | | |
| - considered good | 591.01 | 7.71 | - | 598.72 |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Disputed trade receivables | | | | |
| - considered good | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Total | 591.01 | 7.71 | - | 598.72 |
| Less: Allowances for doubtful debts | - | - | - | - |
| Total | 591.01 | 7.71 | - | 598.72 |

As at March 31, 2022

(Rs. In Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|--------------------|--------------------|-------------------|---------------|
| Undisputed trade receivables | | | | |
| - considered good | 139.49 | - | - | 139.49 |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Disputed trade receivables | | | | |
| - considered good | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Total | 139.49 | - | - | 139.49 |
| Less: Allowances for doubtful debts | - | - | - | - |
| Total | 139.49 | - | - | 139.49 |

As at March 31, 2021

(Rs. In Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|--------------------|--------------------|-------------------|---------------|
| Undisputed trade receivables | | | | |
| - considered good | 280.62 | - | - | 280.62 |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Disputed trade receivables | | | | |
| - considered good | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Total | 280.62 | - | - | 280.62 |
| Less: Allowances for doubtful debts | - | - | - | - |
| Total | 280.62 | - | - | 280.62 |

18. Cash and bank balances (Current)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|----------------------------------|------------------|----------------|-------------|-------------|
| | | 2023 | 2022 | 2021 |
| Cash and cash equivalents | | | | |
| Balances with banks: | 0.31 | | | |
| – On current accounts | 1.32 | - | - | 2.09 |
| Cash on hand | - | 1.19 | 1.17 | 0.48 |
| Total | 1.63 | 1.19 | 1.17 | 2.57 |

19. Short term loans and advances

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|---------------|--------------|
| | | 2023 | 2022 | 2021 |
| Advances recoverable in cash or kind | | | | |
| Secured considered good | - | - | - | - |
| Unsecured considered good | 22.27 | 16.33 | 9.89 | - |
| Doubtful | - | - | - | - |
| | 22.27 | 16.33 | 9.89 | - |
| Provision for doubtful advances | - | - | - | - |
| | 22.27 | 16.33 | 9.89 | - |
| Other loans and advances Unsecured, considered good | | | | |
| Prepaid expenses | 3.19 | 1.64 | 3.39 | 0.23 |
| Loans to employees | 7.67 | 8.38 | 2.47 | 3.04 |
| Balances with statutory / government authorities | 245.01 | 240.69 | 94.23 | 86.13 |
| | 255.87 | 250.71 | 100.09 | 89.40 |
| Total | 278.14 | 267.04 | 109.98 | 89.40 |

20. Other current assets

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|------------------|------------------|----------------|-------------|--------------|
| | | 2023 | 2022 | 2021 |
| Others | | | | |
| Unbilled Revenue | 249.94 | 194.86 | 8.26 | 21.38 |
| Total | 249.94 | 194.86 | 8.26 | 21.38 |

21. Revenue from operations

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--------------------------------|------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Revenue from operations | | | | |
| Sale of services | 1182.68 | 3,429.50 | 2,488.18 | 487.32 |
| Other operating revenue | - | 14.48 | - | - |
| Total | 1182.68 | 3,443.98 | 2,488.18 | 487.32 |

Detail of services rendered

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|----------------------|------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| VFX services | 935.82 | 3,333.32 | 1,244.76 | 404.70 |
| Comics sales | 25.99 | 81.99 | 91.24 | - |
| Advertising services | 4.37 | 9.53 | - | - |
| Sponsorship fees | 107.00 | - | - | - |
| Participation fees | 22.50 | - | - | - |
| Other sales | 87.00 | 4.66 | 1,152.19 | 82.62 |
| Total | 1182.68 | 3,429.50 | 2,488.19 | 487.32 |

22. Other income

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|------------------|----------------|-------------|---------------|
| | | 2023 | 2022 | 2021 |
| Dividend income on | - | | | |
| Current investments | - | 0.05 | 0.05 | - |
| Net gain on sale of current investments | - | 0.11 | - | - |
| Profit on sale of tenancy rights | - | 103.35 | - | - |
| Foreign exchange gain (net) | - | 3.16 | - | - |
| Other non-operating income | 0.31 | 5.18 | 0.16 | 128.21 |
| Total | 0.31 | 111.85 | 0.21 | 128.21 |

23. Employee benefits expense

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|------------------|-----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Salaries, wages and bonus | 352.81 | 1,064.96 | 388.57 | 155.54 |
| Contribution to provident and other funds | 14.33 | 48.98 | 72.70 | 5.84 |
| Gratuity & leave encashment expense | 4.41 | 10.03 | 59.90 | - |
| Staff welfare expenses | 3.79 | 41.26 | 18.32 | 1.17 |
| Total | 375.34 | 1,165.23 | 539.49 | 162.55 |

24. Finance costs

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|------------------|----------------|--------------|--------------|
| | | 2023 | 2022 | 2021 |
| Interest | 31.21 | 47.54 | 39.30 | 72.95 |
| Bank charges | 1.11 | - | - | - |
| Amortization of ancillary borrowing costs | 5.69 | 23.93 | 0.59 | 0.25 |
| Total | 38.01 | 71.47 | 39.89 | 73.20 |

25. Depreciation and amortization expense

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|-----------------------------------|------------------|----------------|--------------|--------------|
| | | 2023 | 2022 | 2021 |
| Depreciation of tangible assets | 16.85 | 85.51 | 66.07 | 19.88 |
| Amortization of intangible assets | 2.01 | 18.29 | 25.82 | 5.84 |
| Total | 18.86 | 103.80 | 91.89 | 25.72 |

26. Other expenses

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|----------------------------------|---------------------|----------------|--------|-------|
| | | 2023 | 2022 | 2021 |
| Power and fuel | 2.18 | 7.59 | 11.43 | 14.98 |
| Rent | 115.00 | 391.98 | 146.73 | 40.92 |
| Rates and taxes | 11.43 | 6.16 | 5.36 | - |
| Insurance | 0.33 | - | 0.84 | 0.50 |
| Repairs and maintenance | | | | |
| Plant and machinery | 11.08 | 82.84 | 19.90 | 2.81 |
| Buildings | - | 9.94 | - | - |
| Office expenses | - | - | 7.28 | 0.41 |
| Advertising and sales promotion | 30.64 | 84.76 | 161.40 | 31.23 |
| House keeping & security charges | - | - | 3.33 | 5.11 |
| Travelling and conveyance | 10.73 | 130.40 | 29.81 | 9.84 |
| Communication costs | 6.84 | 20.05 | 8.35 | 4.12 |

| | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Printing and stationery | 0.27 | 1.65 | 1.40 | 0.11 |
| Membership & subscription charges | - | - | 9.21 | 0.28 |
| Legal and professional fees | 57.27 | 168.53 | 52.11 | 4.58 |
| Payment to auditor (refer note below) | - | 2.70 | 1.20 | 1.30 |
| Foreign exchange loss (net) | 3.16 | 0.53 | 13.70 | 0.97 |
| Miscellaneous expenses | 5.31 | 0.17 | 4.75 | 3.74 |
| Total | 254.24 | 907.30 | 476.80 | 120.90 |

Note: The following is the break-up of Auditors remuneration exclusive of taxes

(Rs. In Lakhs)

| As auditor: | June 30, 2023 | 2023 | 2022 | 2021 |
|-------------------------|------------------|------|------|------|
| Statutory audit | - | 2.70 | 1.20 | 1.30 |
| Total audit fees | - | 2.70 | 1.20 | 1.30 |

27. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Profit/ (loss) after tax | 279.65 | 437.46 | 46.54 | 1.80 |
| Less : dividends on convertible preference shares & tax thereon | - | - | - | - |
| Net profit/ (loss) for calculation of basic EPS | 279.65 | 437.46 | 46.54 | 1.80 |
| Net profit as above | 279.65 | 437.46 | 46.54 | 1.80 |
| Add: dividends on convertible preference shares & tax thereon | - | - | - | - |
| Add: interest on bonds convertible into equity shares (net of tax) | - | - | - | - |
| Net profit/ (loss) for calculation of diluted EPS | 279.65 | 437.46 | 46.54 | 1.80 |
| Weighted average number of equity shares of face value of Rs.10 each outstanding during the year | 11.84 | 11.84 | 11.84 | 11.84 |
| Basic earnings per equity share | 23.62 | 36.95 | 3.93 | 0.15 |
| Diluted earnings per equity share | 23.62 | 36.95 | 3.93 | 0.15 |
| Networth | 870.59 | 590.94 | 153.48 | 106.94 |
| Return on Net worth (%) | 32.12% | 74.03% | 30.32% | 1.68% |
| Net Asset value per share (INR) | 73.53 | 49.91 | 12.96 | 9.03 |

28. Gratuity

Actuarial valuation for provision of Gratuity and compensated absences has been started from the year ended March 31, 2022. Gratuity expenses for years prior to that was not accounted for.

Retirement benefits in the form of Gratuity and compensated absences have been valued by an independent actuary as on the Balance Sheet date. The accrued benefits are projected to the due date and valued prospectively by applying proper economic and demographic assumptions stated below. The liability is computed based on current salary levels projected to the probable due date using "Projected Unit Credit Method".

The following table summarizes the components of net benefit expense recognized in respect of Gratuity:

| Particulars | For March 31 | |
|--|--------------|------|
| | 2023 | 2022 |
| Recognised in Profit & Loss | | |
| Current service cost | 20.89 | 6.10 |
| Interest cost | 3.10 | 1.90 |
| Expected return on plan assets | - | - |
| Actuarial (Gain)/ Loss on obligations | (16.24) | 8.76 |

| | | |
|--|----------------|----------------|
| Total expenses | 7.75 | 16.76 |
| | | |
| Liability recognised in Balance Sheet | | |
| Present Value of Obligations | 53.33 | 45.58 |
| Plan Assets | - | - |
| Surplus/ (Deficit) | (53.33) | (45.58) |
| Current Liability | 19.30 | 6.43 |
| Non- current Liability | 34.03 | 39.15 |
| | | |
| Reconciliation of liability recognised in balance sheet | | |
| Opening defined benefit obligations | (45.58) | (31.43) |
| Expenses recognised during the year | (7.75) | (16.75) |
| Benefits paid | - | 2.60 |
| Actuarial (gain)/loss on obligations | - | - |
| Closing defined benefit obligations | (53.33) | (45.58) |
| | | |
| Changes in the fair value of plan assets | | |
| Fair value of plan assets as at the beginning of the year | - | - |
| Adjustments to the opening fund | - | - |
| Expected return on plan assets | - | - |
| Contributions | - | - |
| Mortality Charges and Taxes | - | - |
| Benefits paid | - | - |
| Actuarial gain/ (loss) on plan assets | - | - |
| Fair value of plan assets as at the end of the year | - | - |
| Actual return on plan assets | - | - |

The principal assumptions used in determining gratuity are shown below:

| | | |
|---|-------------|-------------|
| Discount rate | 7.20% | 7.20% |
| Rate of increase in compensation levels | 7.00% | 7.00% |
| Withdrawal rate | 5.00% | 5.00% |
| Retirement age | 58 years | 58 years |
| Expected average remaining working lives of employees | 11.42 years | 11.53 years |
| Average remaining working life | 19.78 years | 19.69 years |

Experience Adjustment History For 5 Years

| Experience History | 31-03-2019 | 31-03-2020 | 31-03-2021 | 31-03-2022 | 31-03-2023 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Present Value of Obligations | - | - | 31.43 | 45.58 | 53.33 |
| Plan Assets | - | - | - | - | - |
| Surplus/ (Deficit) | - | - | (31.43) | (45.58) | (53.33) |
| Experience (Gain)/loss on plan liabilities | - | - | - | 10.15 | 1.47 |
| Experience (Gain)/loss on plan assets | - | - | - | - | - |

29. Leases

Operating lease: company as lessee

The company has entered into commercial leases on office. These leases have an average life of between one and three years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

| Particulars | June 30, 2023 | As at March 31 | | |
|---|----------------------|-----------------------|-------------|-------------|
| | | 2023 | 2022 | 2021 |
| Within one year | 304.80 | - | 43.28 | - |
| After one year but not more than five years | 304.80 | - | - | - |

| | | | | |
|----------------------|---|---|---|---|
| More than five years | - | - | - | - |
|----------------------|---|---|---|---|

30. Segment information

Operating segments are defined as components of an entity for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Company's CODM is the Director and the Company has only one reportable segment i.e. Visual effect services

Visual effect services includes Animation, Comics, Roto, matchmaking, paints etc for the Films, TV series, Web series, Documentaries and commercials and creation of sets for virtual Production. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments, viz. single segment of Visual effect services. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements

Geographical segment:

The business is organised in two geographical segments i.e. within India and outside India.

a) Revenue from external customers

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| India | 647.26 | 57.08 | 1,204.71 | 2.02 |
| Outside India | 905.88 | 3,386.90 | 1,283.47 | 485.30 |
| Total revenue per statement of profit or loss | 1553.14 | 3,443.98 | 2,488.18 | 487.32 |

b) Current assets:

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|-----------------------------|------------------|-----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| India | 793.50 | 463.23 | 205.79 | 164.17 |
| Outside India | 759.64 | 598.58 | 53.11 | 229.80 |
| Total current assets | 1553.14 | 1,061.81 | 258.90 | 393.97 |

31. Related party disclosures

Names of related parties and related party relationship

| | |
|------------------------------------|---|
| Abhishek More | Managing Director |
| Rohit More | Director |
| Ramesh More | Director |
| Prapti More | Relative of director |
| Jhumka More | Relative of director |
| Growel Softech Private Limited | Private company in which a director is a director |
| Gorav Investments Private Limited | Private company in which a director is a director |
| Poona Bottling Co. Private Limited | Private company in which a director is a director |
| Shree MPJ Cements works LLP | Firm in which a director is a partner |
| Conchat Mobile LLP | Firm in which a director is a partner |
| Digikore Design LLP | Firm in which a director is a partner |
| Digikore Travels LLP | Firm in which a director is a partner |
| Waluj Beverages LLP | Firm in which a director is a partner |
| Shree M P J cement works LLP | Firm in which a director is a partner |

Related parties under AS 18 with whom transactions have taken place during the year

Abhishek More
Rohit More
Prapti More

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---|------------------|----------------|-------|--------|
| | | 2023 | 2022 | 2021 |
| The transactions with related parties during the year and their outstanding balances are as follows: | | | | |
| Salary | | | | |
| Abhishek More | 17.94 | 58.44 | 34.27 | 23.77 |
| Professional fees | | | | |
| Rohit More | 8.10 | 34.56 | 17.28 | - |
| Ramesh More | 4.05 | 16.63 | - | - |
| Prapti More | 3.65 | 14.59 | - | - |
| Purchase of goods/services | | | | |
| Growel Softech Private Limited | 25.50 | 122.18 | 32.97 | - |
| Loans taken | | | | |
| Rohit More | 4.86 | 0.52 | 3.25 | 3.87 |
| Abhishek More | 3.91 | 0.95 | 10.02 | 119.00 |
| Growel Softech Private Limited | 4.82 | - | - | 1.14 |
| Loan Given | | | | |
| Abhishek More | - | - | 10.02 | - |
| Security deposit paid | | | | |
| Rohit More | 35.00 | 35.00 | - | - |
| Professional fees payable | | | | |
| Rohit More | 5.40 | 1.35 | 2.16 | - |
| Ramesh More | 1.35 | - | - | - |
| Share capital | | | | |
| Rohit More | 19.91 | 19.91 | 19.91 | 19.91 |
| Abhishek More | 19.91 | 19.91 | 19.91 | 19.91 |
| Shri MPJ cement works LLP | 78.48 | 78.48 | 78.48 | 78.48 |
| Security deposit | | | | |
| Rohit More | - | 35.00 | - | - |
| Loan payable | | | | |
| Rohit More | 5.38 | 0.52 | - | - |
| Growel Softech Private Limited | 26.61 | 21.79 | 36.23 | 20.88 |
| Abhishek More | - | 0.95 | - | 119.00 |
| Ramesh More | - | - | 0.43 | 1.14 |
| Jhumka More | - | - | 1.14 | 1.14 |
| Waluj Beverages LLP | - | - | 49.89 | 49.89 |
| Loan receivable | | | | |
| Conchact Mobile LLP | 11.58 | 11.58 | 11.58 | 6.58 |
| Digikore Design Ltd. | - | - | 0.07 | 0.07 |
| Digikore Travels LLP | 1.52 | 1.52 | 1.52 | 1.52 |
| Poona Bottling Co. Private Limited | 6.30 | 6.30 | 6.30 | 6.30 |

| | | | | |
|---------------|------|---|-------|------|
| Rohit More | - | - | 6.53 | 6.53 |
| Abhishek More | 0.07 | - | 10.02 | - |

32. Contingent liabilities

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|---------------------|------------------|----------------|------|------|
| | | 2023 | 2022 | 2021 |
| GST demand * | 56.38 | 56.38 | - | - |
| Income tax demand** | 26.18 | 26.18 | - | - |
| Total | 82.56 | 82.56 | - | - |

* GST demand comprise demand from the Indian tax authorities for payment of additional tax of INR 56.38 lakhs (31 March 2022: NIL), upon completion of their tax review for the financial years 2017-18. The tax demands are on account of GST payable on Reverse charge Mechanism by the company under GST Acts. The matter is pending before the Commissioner of State tax (Maharashtra).

The company is contesting the demands and the management, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|------|------|
| | | 2023 | 2022 | 2021 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | - | - | - | - |
| Principal amount due to micro and small enterprises | - | 7.95 | - | - |
| Interest due on above | 209.98 | - | - | - |
| Total | 209.98 | 7.95 | - | - |

| Particulars | June 30, 2023 | As at March 31 | | |
|--|------------------|----------------|------|------|
| | | 2023 | 2022 | 2021 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 210.00 | 248.00 | - | - |
| Amount remitted (in INR) | - | - | - | - |

34. Earnings in foreign currency (accrual basis)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | | |
|-------------------------|------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Exports at F.O.B. Value | 905.88 | 3,386.90 | 1,283.47 | 485.30 |
| Total | 905.88 | 3,386.90 | 1,283.47 | 485.30 |

35. The Company is in the process of filing all the compliances related to FEMA and RBI.

36. Previous year figures

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

37. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Change | Reason for variance for more than 25 % |
|---------------------------------|--|---|----------------|----------------|-----------|---|
| Current ratio | Current Assets | Current Liabilities | 0.91 | 0.42 | (117.47%) | Increase in debtors due to new contracts and increase in payment terms of new customers |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.99 | 1.85 | 46.33% | Increase in profit in M23 resulted in improvement in ratio |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 1.10 | 0.51 | (116.11%) | Increase in profit in M23 resulted in improvement in ratio |
| Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 1.18 | 0.36 | (228.93%) | Increase in profit in M23 resulted in improvement in ratio |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | NA | NA | NA | NA |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 9.60 | 12.61 | 23.85% | NA |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | NA | NA | NA | NA |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | (31.57) | (7.85) | (302.00%) | Trade receivable has increased resulted in increase in WC |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 0.17 | 0.04 | (296.49%) | Sales increased resulted in increase in Profit |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.87 | 0.30 | (185.02%) | Increase in profit in M23 resulted in improvement in ratio |

38. Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated

- i. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- ii. The Company has not revalued its Property, Plant and Equipment.
- iii. The Company has not granted loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - (a) repayable on demand or
 - (b) without specifying any terms or period of repayment

| Type of Borrower | Amount of loans or advance in the nature of loan outstanding | Percentage to the total loan and advances in the nature of loans |
|--------------------------|--|--|
| Promoters/Directors/KMPs | - | 0% |
| Related Parties | 19.40 | 100% |

- iv. There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- v. The Company has been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- vi. The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- vii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- viii. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the relevant transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).
- ix. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- x. The Company do not have any transactions with companies struck off.
- xi. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xii. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- xiii. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(Rs. In Lakhs)

| Particulars | As at March 31 | | |
|---|----------------|--------------|-------------|
| | 2023 | 2022 | 2021 |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 403.58 | 46.69 | 3.42 |
| Adjustments:- | | | |
| Effect of reversal of inventory | (186.60) | 13.12 | 1.83 |
| Effect of recognition of unbilled revenue | 186.60 | (13.12) | (1.83) |
| Effect of restatement of Foreign debtor outstanding at year end | 3.19 | 0.93 | (0.97) |
| Effect of recognition of interest expense | (2.32) | (1.08) | (0.65) |
| Effect of recognition of investment in subsidiary | 0.06 | - | - |
| Deferred tax asset recognition | 33.01 | - | - |
| | | | |
| Net Profit/ (Loss) After Tax as Restated | 437.52 | 46.54 | 1.80 |

Reconciliation of Restated Equity/Networth

(Rs. In Lakhs)

| Particulars | As at March 31 | | |
|--|----------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Equity / Net worth As per Audited Financials | 558.82 | 155.24 | 108.56 |
| Adjustments for : | | | |
| Opening balance adjustments | (1.76) | (1.61) | - |
| Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial | 33.94 | (0.15) | (1.62) |
| Equity / Net worth As Restated | 591.00 | 153.48 | 106.94 |

Adjustments Having No Impact on Networth And Profit:

Material Regrouping –

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF RESTATED
CONSOLIDATED FINANCIAL INFORMATION**

**To,
The Board of Directors,
Digikore Studios Limited,
(Formerly known as Digikore Studios Private Limited),**

1. We have examined the attached restated consolidated financial information of **Digikore Studios Limited (Formerly known as Digikore Studios Private Limited)** (hereinafter referred to as "the Company") along with its subsidiary i.e. Digikore Visual Effects Inc. (the Company and its subsidiary together referred to as the "Group") comprising the restated consolidated statement of assets and liabilities for June 30, 2023 and as at 31 March, 2023 the restated consolidated statement of profit & loss, the restated consolidated cash flow statement for the period ended June 30, 2023 and as on 31 March, 2023, the consolidated summary statement of significant accounting policies and other explanatory information (collectively the "restated consolidated financial information"), as approved by the Board of Directors in their meeting held on 21 August 2023 for the purpose of inclusion in the Draft Offer Document/Offer Document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") on the SME platform of Stock Exchange. These restated summary statements have been prepared in accordance with the requirements of:
 - d. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
 - f. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the restated consolidated financial information for the purpose of inclusion in the Draft Offer Document/Offer Document to be filed with the Securities and Exchange Board of India, Stock Exchanges, and Registrar of Companies, Pune, in connection with the proposed IPO. The restated consolidated financial information have been prepared by the management of the Company for the period ended on 31 March, 2023 on the basis of preparation stated in note 2 to the restated consolidated financial information. 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 consolidated financial information. The board of directors are also responsible for identifying and ensuring that the group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such restated consolidated financial information taking into consideration:
 - e. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 29 June 2023 in connection with the proposed IPO of equity shares of the Company.
 - f. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
 - g. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the restated consolidated financial information; and,
 - h. 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 IPO.
4. These restated consolidated financial information have been compiled by the management from:
 - b. Unaudited consolidated financial statements of the company as at and for the period ended on 31 March 2023 prepared by management in accordance with the Accounting Standards as prescribed under Section 133 of the Act ("Indian GAAP"), read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India. For consolidation of financial statements management has relied on the auditor's report issued by the previous statutory auditors i.e. M/s. Palnitkar Patwardhan LLP,

Chartered Accountant dated 29 June 2023 on the standalone financial statements of the holding company as at and for your ended March 31, 2023 and management financial statements for the subsidiary Company.

5. As indicated in our audit report referred to above for the purpose of our examination, we have relied on:
- Unaudited consolidated financial statements prepared by the management and auditor's report issued by the previous statutory auditors i.e. M/s. Palnitkar Patwardhan LLP, Chartered Accountant dated 29 June 2023 on the standalone financial statements of the holding company as at and for your ended March 31, 2023. For consolidation of financial statements management has relied on the auditor's report issued by the previous statutory auditors i.e. M/s. Palnitkar Patwardhan LLP, Chartered Accountant dated 29 June 2023 on the standalone financial statements of the holding company as at and for your ended March 31, 2023 and management financial statements for the subsidiary Company.
 - we have not audited the consolidated financial statements prepared by the management and our opinion on the restated consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the unaudited consolidated financial statement furnished by the Company's management.
 - we have not audited the financial statements of a subsidiary's share of total assets, total revenues, net cash inflows / (outflows), and share of profit/ loss in the consolidated financial statement, for the relevant year is tabulated below, which have not been audited and financial statement have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the unaudited financial statement furnished by the Company's management:

(Rs in lakhs)

| Particulars | As at/for year ended March 2023 | As at/for year ended March 2022 | As at/for year ended March 2021 |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| Total Assets | 19.93 | NA | NA |
| Total Revenue | 136.55 | NA | NA |
| Net cash inflows/(outflows) | 14.14 | NA | NA |

6. Based on our examination and according to information and explanations given to us, we are of the opinion that the restated consolidated financial information:
- have been prepared after incorporating adjustments for the changes in accounting policies, material errors, and regrouping/reclassifications retrospectively in the financial period/year ended on 31 March 2023.
 - the preparation and presentation of the consolidated financial information referred to above are based on the unaudited consolidated financial statements of the Company and are in accordance with the provisions of the Act, ICDR Regulations, and Guidance Note. The financial statements and information referred to above are the responsibility of the management of the Company.
7. The restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose consolidated IGAAP financial information and consolidated financial information mentioned in paragraph [4] above.
8. In accordance with the requirements of Part I of Chapter III of the Act including rules made there under, ICDR Regulations, Guidance Note, and Engagement Letter, we report that:
- The **“restated consolidated statement of assets and liabilities”** as set out in the restated statement of assets and liabilities report, of the Company for the period ended on 31 March, 2023 is prepared by the Company and approved by the Board of Directors. These restated summary statements of assets and liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more appropriately described in significant accounting policies and notes to accounts as set out in note2 to this report.
 - The **“restated consolidated statement of profit and loss”** as set out in the restated statement of profit and loss report, of the Company for the period ended on 31 March, 2023, is prepared by the Company and approved by the Board of Directors. These restated summary statements of profit and loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion was appropriate and more appropriately described in significant accounting policies and notes to accounts as set out in note2 to this Report.

- c. The “**restated consolidated statement of cash flow**” as set out in the restated statement of cash flow report, of the Company for the period ended on 31 March, 2023 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more appropriately described in significant accounting policies and notes to accounts as set out in Note 2 to this report.
9. We, M/s. Sharad Shah & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by the ICDR Regulations in relation to the proposed IPO.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in note 1 to note 39 of this report read with the respective significant accounting policies and notes to accounts as set out in Note 2 are prepared after adjusting and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.
12. 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 the period ended on 31 March, 2023 proposed to be included in the Draft Offer Document/Offer Document for the proposed IPO.

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13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use by the Board of Directors for inclusion in the Draft Offer Document/Offer Document to be filed with the Securities and Exchange Board of India, stock exchange and Registrar of Companies, Pune in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sharad Shah & Co.
Chartered Accountants
Firm Registration No.: 109931W

Sd/-
Sunil S Kadam
Partner
Membership No: 042756

UDIN: 23042756BGVUYG9377
Date: 21 August 2023
Place: Pune

Consolidated Statement of Assets and Liabilities as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | As at March 31 | | |
|--|-------|---------------------------|-----------------|---------------|
| | | As at June 30, 2023 | 2023 | 2022 |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| Share capital | 3 | 118.40 | 118.40 | 118.40 |
| Reserves and surplus | 4 | 694.30 | 424.26 | 35.08 |
| | | 813.30 | 542.66 | 153.48 |
| Non-current liabilities | | | | |
| Long-term borrowings | 5 | 320.79 | 107.63 | 42.54 |
| Other long-term liabilities | | 1.00 | - | - |
| Long-term provisions | 6 | 45.41 | 42.99 | 53.40 |
| | | 367.20 | 150.62 | 95.94 |
| Current liabilities | | | | |
| Short-term borrowings | 7 | 591.46 | 500.92 | 306.92 |
| Trade payables | 8 | - | | |
| • Total outstanding dues of micro enterprises and small enterprises | | | 7.95 | - |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | | 278.47 | 316.26 | 102.44 |
| Other current liabilities | 8 | 170.35 | 213.84 | 132.52 |
| Short-term provisions | 9 | 298.05 | 201.11 | 33.88 |
| | | 1338.33 | 1,239.13 | 575.76 |
| TOTAL | | 2518.33 | 1,932.42 | 825.18 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant & equipment and intangible assets | | | | |
| Property, plant & equipment | 10 | 210.20 | 217.24 | 235.35 |
| Intangible assets | 11 | 30.18 | 32.19 | 40.00 |
| Capital work-in-progress | 12 | 274.86 | 232.09 | - |
| Non-current investments | 13 | 144.21 | 144.21 | 144.21 |
| Deferred tax assets (net) | 14 | 33.01 | 33.01 | - |
| Long term loans and advances | 15 | 19.40 | 19.40 | 36.02 |
| Other non-current assets | 16 | 244.77 | 172.54 | 110.70 |
| | | 956.33 | 850.68 | 566.28 |
| Current assets | | | | |
| Trade receivables | 17 | 1026.29 | 603.66 | 139.49 |
| Cash and bank balances | 18 | 6.98 | 15.32 | 1.17 |
| Short term loans and advances | 19 | 278.14 | 267.04 | 109.98 |
| Other current assets | 20 | 250.79 | 195.71 | 8.26 |
| | | 1562.20 | 1,081.73 | 258.90 |
| TOTAL | | 2518.83 | 1,932.41 | 825.18 |

Consolidated Statement of profit and loss as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | Notes | As at June 30, 2023 | As at March 31 | |
|---|-------|---------------------------|-----------------|-----------------|
| | | | 2023 | 2022 |
| INCOME | | | | |
| Revenue from operations | 21 | 1182.68 | 3,580.53 | 2,488.18 |
| Other income | 22 | 3.81 | 111.85 | 0.21 |
| Total Revenue | | 1186.49 | 3,692.38 | 2,488.39 |
| EXPENSES | | | | |
| Cost of Technical Subcontractors | | 112.93 | 909.62 | 1,235.92 |
| Employee benefits expense | 23 | 375.34 | 1,165.23 | 539.49 |
| Finance costs | 24 | 38.11 | 72.07 | 39.89 |
| Depreciation and amortization expense | 25 | 18.86 | 103.80 | 91.89 |
| Other expenses | 26 | 266.40 | 917.14 | 476.80 |
| Total Expenses | | 811.64 | 3,167.86 | 2,383.99 |
| Profit before tax | | 374.85 | 524.52 | 104.40 |
| Tax expenses: | | | | |
| Current tax | | | | |
| Pertaining to profit for the current period | | 103.96 | 163.26 | 57.86 |
| Adjustment of tax relating to earlier periods | | - | 5.10 | - |
| Deferred tax | | - | (33.01) | - |
| Total tax expense | | 103.96 | 135.35 | 57.86 |
| Profit for the year | | 270.89 | 389.17 | 46.54 |
| Earning per equity share [nominal value of share INR 10] | | | | |
| Basic (in INR) | | 22.88 | 32.87 | 3.93 |
| Diluted (in INR) | | 22.88 | 32.87 | 3.93 |

Consolidated Statement of Cash flow as restated

(Amount in INR lakh unless stated otherwise)

| Particulars | As at | As at March 31 | |
|--|-----------------|-----------------|-----------------|
| | June 30, 2023 | 2023 | 2022 |
| Cash Flow from operating activities | | | |
| Profit before tax | 374.85 | 524.52 | 104.40 |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation/ amortization | 18.86 | 103.80 | 91.89 |
| Interest expense | 38.11 | 72.07 | 39.89 |
| Dividend (income) | - | 0.05 | 0.05 |
| Operating profit before working capital changes | 431.82 | 700.44 | 236.23 |
| Movements in working capital: | | | |
| Increase / (decrease) in trade payables | (45.74) | 220.82 | (18.56) |
| Increase / (decrease) in provisions | (4.85) | (11.55) | (23.43) |
| Increase / (decrease) in other liabilities | (42.49) | 81.32 | 114.23 |
| Decrease / (increase) in trade receivables | (422.62) | (464.17) | 141.13 |
| Decrease / (increase) in loans and advances | (11.10) | (140.44) | (35.60) |
| Decrease / (increase) in other current assets | (127.31) | (249.29) | 3.28 |
| Cash generated from / (used in) operations | (222.29) | 137.13 | 417.28 |
| Direct taxes paid (net of refunds) | - | - | - |
| Net cash flow from/ (used in) operating activities (A) | (222.29) | 137.13 | 417.28 |
| Cash Flow from investing activities | | | |
| Purchase of property, plant and equipment, including CWIP and capital advances | (52.58) | (313.30) | (229.43) |
| Proceeds from sale of property, plant and equipment | - | 3.35 | - |
| Dividends received | - | (0.05) | (0.05) |
| Net cash flow from/ (used in) investing activities (B) | (52.58) | (310.00) | (229.48) |
| Cash Flow from financing activities | | | |
| Proceeds from long-term borrowings | 213.16 | 65.09 | - |
| Repayment of long-term borrowings | - | - | (125.33) |
| Proceeds from short-term borrowings | - | 194.00 | - |
| Repayment of short-term borrowings | 91.48 | - | (23.98) |
| Interest paid | (38.11) | (72.07) | (39.89) |
| Net cash flow from/ (used in) in financing activities (C) | 266.53 | 187.02 | (189.20) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (8.34) | 14.15 | (1.40) |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | | |
| Cash and cash equivalents at the beginning of the year | | 1.17 | 2.57 |
| Cash and bank balances at the end of the year | | 15.32 | 1.17 |
| Components of cash and cash balances | | | |
| Cash and cash equivalents | | | |
| Balances with banks: | | | |
| – On current accounts | (8.34) | 14.15 | - |
| Cash on hand | 15.32 | 1.17 | 1.17 |
| Total cash and bank balances at end of the year | 6.98 | 15.32 | 1.17 |

Restated notes to consolidated financial statements

1. Corporate Information

Digikore Studios Limited ("The Company") formerly known as **Digikore Studios Private Limited** is a public limited company incorporated in India. The address of its registered office is C/o Poona Bottling Co. Pvt. Ltd., 410/1, 411/2, Mumbai Pune Road, Dapodi, e Pune- 411012.

The Company was incorporated on July 25th, 2000 having corporate identification number of company-U92112PN2000PLC157681.

The Company is engaged in the business of post production activities such as VFX, Animation, Visual Effects, and Video Graphics including digital intermediate, and other technical and creative services to the Media and Entertainment industry.

2. Basis of preparation

The restated summary statement of assets and liabilities of the Company as at March 31, 2023, March 31, 2022, 2021 and the related restated summary statement of profits and loss and cash flows for the year ended March 31, 2023, March 31, 2022, and 2021 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements for the year ended on March 31, 2023, March 31, 2022 and 2021. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE in connection with its proposed IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023. The Company consolidates a subsidiary when it controls it.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2023.

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associate

An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate. Under Ind AS 28 Investments in Associates and Joint Ventures, the Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

During the year ended March 31, 2022, the Company acquired 100% equity stake in Digikore Visual Effects Inc. However, the setting up of the operations of Digikore Visual Effects Inc. were completed in the month of September 2022. Accordingly, the Company is preparing the consolidated financial statements for the first time in the current year 2023 and the comparative figures for the year ended March 31, 2022 and April 01 2021, represent the figures of the standalone financial statements of the Holding Company for the year ended March 31, 2022 and April 01 2021.

List of associates and subsidiaries considered in the consolidated financial statements as at March 31, 2023:

| Name of the entity | % of Holding | Consolidated as | Country of incorporation |
|------------------------------|---------------------|------------------------|---------------------------------|
| Digikore Visual Effects Inc. | 100% | Subsidiary | Canada |

2.1 Restated significant accounting policies

(A) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(B) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and

initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as 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.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(C) Depreciation on property, plant and equipment

The Company has applied useful lives prescribed in Schedule II to the Companies Act 2013 which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV of the Companies Act, 1956. Also, based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of fixed assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation on property, plant and equipment is calculated on a written down value using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its property, plant and equipment.

| | Useful lives estimated by the management (years) |
|------------------------------------|---|
| Computers - server | 3.00 |
| Computers - peripheral and desktop | 1.50-3.00 |
| Plant and equipments | 5.00 |
| Furniture and fixtures | 4.00 |
| Office equipment | 2.25 |

The management has estimated the useful lives of the following classes of assets.

- Plant and equipment, Furniture and fixtures, Office equipment and vehicles are depreciated over the estimated useful lives of 5 years, 4 years, 2.25 years and 3.25 years, respectively, which are lower than those indicated in schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(D) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. 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 and 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.

A summary of amortization policies applied to the company’s intangible assets is as below:

| | |
|-------------------|---------|
| Computer software | 3 years |
|-------------------|---------|

(E) 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.

(F) 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. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Income from services

Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognised net of Goods & Services Tax.

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.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(G) Foreign currency transactions and balances'

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment and intangible assets are capitalized and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Translation of integral and non-integral foreign operation

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the

foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(H) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. 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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The company operates two defined benefit plans for its employees, viz., gratuity . The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(I) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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.

(J) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(K) Contingent liabilities

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.

(L) 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 with an original maturity of three months or less.

(M) NOTES ON RECONCILIATION OF RESTATED PROFITS

Reconciliation of Restated Profits is stated as follows:

| Particulars | (Rs. In Lakhs) | |
|--|--------------------------------------|-------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31,2022 |
| Net Profit/(Loss) after Tax as per Audited/Unaudited Profit & Loss Account | 355.29 | 46.69 |
| Adjustments for :- | | |
| Effect of reversal of inventory | (186.60) | 13.12 |
| Effect of recognition of unbilled revenue | 186.60 | (13.12) |
| Effect of restatement of Foreign debtor outstanding at year end | 3.19 | 0.93 |
| Effect of recognition of interest expense | (2.32) | (1.08) |
| Effect of recognition of investment in subsidiary | 0.06 | - |
| Deferred tax asset recognition | 33.01 | - |
| | | |
| Net Profit/ (Loss) After Tax as Restated | 389.23 | 46.54 |

Explanatory notes to the above restatements to profits made in the audited Consolidated Financial Statements of the Company for the respective years:

I. Reversal of inventory: Inventory included unbilled revenue on contracts has now been restated and reclassified as unbilled revenue as per IGAAP

II. Recognition of unbilled Revenue: Unbilled revenue was earlier recognised as inventory has been reclassified as per IGAAP.

III. Restatement of Foreign debtors: The Company has not restated foreign debtors outstanding at the year has been as per IGAAP, which has now been restated and reclassified for the respective years.

IV. Recognition of interest expense: The company has not made provision for interest accrued but not due on borrowing which has now been restated and reclassified to the respective years.

V. Recognition of investment in subsidiary: The Company has expensed out investment in subsidiary during financial year 2022-23, which has now been restated and reclassified.

VI. Recognition of deferred tax: The Company has not recognised deferred tax in the audited financials, hence the same has been recognised in restated financial statement and total impact is recognised in Financial year 2022-23.

(N) NOTES ON RECONCILIATION OF RESTATED NETWORTH

Reconciliation of Restated Net-worth is stated as follows:

(Rs. In Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Equity / Net worth As per Audited/Unaudited Financials | 510.53 | 155.23 |
| Adjustments for: | | |
| Opening balance adjustments | (1.76) | (1.61) |
| Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial | 33.94 | (0.15) |
| Equity / Net worth As Restated | 542.71 | 153.47 |

Explanatory notes to the above restatements to net-worth made in the audited Consolidated Financial Statements of the Company for the respective years:

I. Change in Profit/(Loss): Refer Note M above.

II. Adjustments Having No Impact on Networth and Profit:

Material Regrouping –

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

3. Share Capital

(Rs. In Lakhs)

| Particulars | As at June 30, 2020 | As at March 31 | |
|---|---------------------------|----------------|---------------|
| | | 2023 | 2022 |
| Authorized shares | | | |
| 12,50,000 (March 31, 2021: 12,50,000) equity shares of Rs.10 each | 125.00 | 125.00 | 125.00 |
| | | | |
| Issued, subscribed and fully paid-up shares | | | |
| 11,84,000 (March 31, 2021: 11,84,000) equity shares of Rs.10 each | 118.40 | 118.40 | 118.40 |
| Total issued, subscribed and fully paid-up share capital | 118.40 | 118.40 | 118.40 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Particulars | June 30, 2023 | | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------------------|------------------|--------------|----------------------|---------------|----------------------|---------------|
| | No. of shares | INR Lakhs | No. of shares | INR Lakhs | No. of shares | INR Lakhs |
| At the beginning of the period | 11.84 | | 11.84 | 118.40 | 11.84 | 118.40 |
| Issued during the period | - | | - | - | - | - |
| Outstanding at the end of the period | 11.84 | | 11.84 | 118.40 | 11.84 | 118.40 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

| Name of shareholder | June 30, 2023 | | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---------------|-----------|----------------------|-----------|----------------------|-----------|
| | No. of shares | INR Lakhs | No. of shares | INR Lakhs | No. of shares | INR Lakhs |
| <i>Equity shares of INR10 each fully paid</i> | | | | | | |
| Rohit Rameshkumar More | 1.99 | 19.91 | 1.99 | 19.91 | 1.99 | 19.91 |
| Abhishek Rameshkumar More | 1.99 | 19.91 | 1.99 | 19.91 | 1.99 | 19.91 |
| Shree MPJ Cement Works LLP | 7.85 | 78.48 | 7.85 | 78.48 | 7.85 | 78.48 |
| Mrs. Umadevi R More | - | - | - | - | - | - |

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 ownerships of shares.

(d) Details of shares held by promoters

| Name of the Shareholders | June 30, 2023 | | March 31, 2023 | | March 31, 2022 | | March 31, 2021 | |
|-------------------------------|---------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding | No. of Shares | % holding | No. of Shares | % holding |
| Rohit Rameshkumar More | 1,99,125 | 16.82% | 1,99,125 | 16.82% | 1,99,125 | 16.82% | - | 0.00% |
| Abhishek Rameshkumar More | 1,99,125 | 16.82% | 1,99,125 | 16.82% | 1,99,125 | 16.82% | - | 0.00% |
| Waluj Beverages LLP | 1,000 | 0.08% | 1,000 | 0.08% | 1,000 | 0.08% | 1,000 | 0.08% |
| Shree M P J Cement Works LLP | 7,84,750 | 66.28% | 7,84,750 | 66.28% | 7,84,750 | 66.28% | 7,84,750 | 66.28% |
| Late Umadevi Rameshkumar More | - | 0.00% | - | 0.00% | - | 0.00% | 3,98,250 | 33.64% |

4. Reserves & surplus**(Rs. In Lakhs)**

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|--------------|
| | | 2023 | 2022 |
| General reserve | | | |
| Balance as per the last financial statements | 424.25 | 35.08 | (11.46) |
| Add: amount transferred from surplus balance in the statement of profit and loss | 270.89 | 389.17 | 46.54 |
| Closing Balance | 695.14 | 424.25 | 35.08 |
| Surplus/ (deficit) in the statement of profit and loss | | | |
| Balance as per last financial statements | - | - | - |
| Profit for the year | 270.89 | 389.17 | 46.54 |
| Transfer to general reserve | (270.89) | (389.17) | (46.54) |
| Total appropriations | | | |
| Net surplus in the statement of profit and loss | - | - | - |
| Foreign currency translation reserves | | | |
| Balance as per the last financial statements | 0.01 | - | - |
| Add: Exchange differences for the year | (0.25) | 0.01 | - |
| Closing balance | (0.24) | 0.01 | - |
| Total reserves and surplus | 694.90 | 424.26 | 35.08 |

5. Long-term borrowings**(Rs. In Lakhs)**

| Particulars | As at June 30, 2020 | As at March 31 | |
|---|---------------------|----------------|---------------|
| | | 2023 | 2022 |
| Term loans | | | |
| Indian rupee loan from banks | 115.18 | 82.37 | 229.30 |
| From financial institutions | 299.09 | 50.68 | - |
| | 414.27 | 133.05 | 229.30 |
| The above amount includes | | | |
| Secured borrowings | 115.18 | 82.37 | 228.17 |
| Unsecured borrowings | 299.09 | 50.68 | 1.13 |
| Amount disclosed under the head "Other current liabilities" | - | - | 3.90 |

| | | | |
|--|---------------|---------------|--------------|
| (note 9) | | | |
| Amount disclosed under the head "short-term borrowings" (note 8) | 93.48 | 25.42 | 182.86 |
| Net amount | 320.79 | 107.63 | 42.54 |

1) Indian rupees loan is borrowed from Saraswat Co-operative Bank for acquisition of vehicles and carries interest rate of 7.75%- 8.60% and this loan has primary collateral by first charge by way of hypothecation against the vehicles.

2) Borrowing from L&T Finance limited is unsecured and carries interest rate of 16.50%.

6. Other long-term liabilities

(Rs. In Lakhs)

| Particulars | As at June 30, 2023 | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|---------------------|----------------------|----------------------|
| Security deposits received | 1.00 | - | |
| Total | 1.00 | - | |

6. Long-term provisions

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|--------------|
| | | 2023 | 2022 |
| Provision for employee benefits | | | |
| Provision for gratuity | 35.98 | 34.03 | 39.15 |
| Provision for leave benefits | 9.43 | 8.96 | 14.25 |
| | | | |
| Total | 45.41 | 42.99 | 53.40 |

7. Short-term borrowings

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|---------------|
| | | 2023 | 2022 |
| Cash credit from banks (secured) | 397.33 | 383.38 | 7.81 |
| | | | |
| Working capital loan from banks | 42.76 | 48.41 | 29.04 |
| Working capital loan from financial institutions | 20.98 | 20.46 | - |
| Interest free loan and advances from related parties repayable on demand (unsecured) | 36.91 | 23.25 | 87.21 |
| Current maturities of long-term borrowings (note 5) | 93.48 | 25.42 | 182.86 |
| | | | |
| Total | 591.46 | 500.92 | 306.92 |
| The above amount includes | | | |
| Secured borrowings | 93.85 | 431.48 | 273.21 |
| Unsecured borrowings | 497.61 | 69.44 | 33.71 |

1) Cash credit from Bajaj Finance Limited carries interest rate of 8.50 % with a total limit of 15 crores . The cash credit is repayable on demand and is unsecured.

2) Cash credit from ICICI Bank carries interest rate of 8.75% (Repo rate +2.10%) with a total limit of 4.65 crores. The cash credit is repayable on demand and the same is secured against:

- a) Hypothecation of Stock, book debts, bills & receivables.
- b) Unconditional & irrevocable guarantees of
 1. Rohit More (Director)
 2. Abhishek More (Director)
 3. Shree MPJ Cement Works LLP (Corporate Guarantor) (Major shareholding)
- c) Residential flats held as Investment property

8. Other current liabilities

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|---------------|
| | | 2023 | 2022 |
| Trade payables | | | |
| • total outstanding dues of micro enterprises and small enterprises (refer note 33 for details of dues to micro and small enterprises) | - | 7.95 | - |
| • total outstanding dues of creditors other than micro enterprises and small enterprises | 278.47 | 315.31 | 102.44 |
| | 278.47 | 323.26 | 102.44 |
| Other liabilities | | | |
| Employee related liabilities | 126.42 | 129.52 | 109.05 |
| Advance from customers | 0.54 | 3.02 | 2.12 |
| Interest accrued but not due on borrowings | 8.86 | 4.05 | 6.62 |
| Others | - | - | - |
| TDS payable | 23.80 | 41.86 | 8.46 |
| Other statutory dues payable | 10.73 | 35.39 | 6.27 |
| | 170.35 | 213.84 | 132.52 |
| Total | 448.82 | 537.10 | 234.96 |

Trade payable ageing schedule

For June 30, 2023

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | Total |
|--|--|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | More than 2 years | |
| Undisputed trade payables | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | 448.82 | | | 448.82 |
| Disputed trade payables | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| Total | 448.82 | - | - | 448.82 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | 7.95 | - | - | - | 7.95 |
| - dues of creditors other than micro enterprises and small enterprises | 315.31 | | | | 315.31 |
| Disputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | 323.26 | - | - | - | 323.26 |

As at March 31, 2022

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | 102.44 | - | - | - | 102.44 |
| | | | | | |
| Disputed trade payables | | | | | |
| - dues of micro enterprises and small enterprises | - | - | - | - | - |
| - dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | 102.44 | - | - | - | 102.44 |

9. Short-term provisions

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31, 2023 | |
|--|---------------|----------------------|--------------|
| | | 2023 | 2022 |
| Provision for employee benefits | | | |
| Provision for gratuity | 19.30 | 19.30 | 6.43 |
| Provision for leave benefits | 8.92 | 8.92 | 3.45 |
| | | | |
| Other provisions | | | |
| Provision for expenses | 30.46 | 35.30 | 11.09 |
| Provision for taxation (net of Advance income-tax) | 239.37 | 137.59 | 12.91 |
| Total | 298.05 | 201.11 | 33.88 |

Note 10: Property, plant and equipment

(Rs. In Lakhs)

| Particulars | Plant and machinery | Vehicle | Furniture and fixtures | Computers | Office equipments | Total |
|------------------------------------|---------------------|---------------|------------------------|---------------|-------------------|---------------|
| Cost | | | | | | |
| As at March 31, 2022 | 3.36 | 165.49 | 206.61 | 157.62 | 48.66 | 581.74 |
| Additions | - | 35.49 | 23.86 | 2.09 | 9.30 | 70.74 |
| Disposals | - | (42.16) | - | - | - | (42.16) |
| As at March 31, 2023 | 3.36 | 158.82 | 230.47 | 159.71 | 57.96 | 610.32 |
| Charge for the year | 0.14 | 5.73 | 7.94 | 1.64 | 1.40 | 16.85 |
| Disposals | - | - | - | - | - | - |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at June 30, 2023 | 0.79 | 91.14 | 119.51 | 150.66 | 47.83 | 409.93 |
| Depreciation and impairment | | | | | | |
| As at March 31, 2021 | 0.65 | 63.12 | 46.99 | 130.92 | 38.64 | 280.32 |
| Charge for the year | - | 27.63 | 23.05 | 10.37 | 5.02 | 66.07 |
| Disposals | - | - | - | - | - | - |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at March 31, 2022 | 0.65 | 90.75 | 70.04 | 141.29 | 43.66 | 346.39 |
| Charge for the year | - | 33.47 | 41.53 | 7.73 | 2.77 | 85.50 |
| Disposals | - | 38.81 | - | - | - | 38.81 |
| Impairment (refer note 24) | - | - | - | - | - | - |
| As at March 31, 2023 | 0.65 | 85.41 | 111.57 | 149.02 | 46.43 | 393.08 |
| Net block | | | | | | |
| As at March 31, 2022 | 2.71 | 74.74 | 136.57 | 16.33 | 5.00 | 235.35 |
| As at March 31, 2023 | 2.71 | 73.41 | 118.90 | 10.69 | 11.53 | 217.24 |
| As at June 30, 2023 | 2.57 | 67.66 | 117.41 | 9.20 | 13.36 | 210.20 |

Note 10.1: Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in note 5.

Note 10.2: The Company has not revalued its property, plant and equipment during the year ended March 31, 2023, March 31, 2022 and April 01, 2021.

Note 11: Intangible assets

(Rs. In Lakhs)

| Particulars | Computer software | Total |
|-----------------------------|-------------------|---------------|
| Cost | | |
| As at March 31, 2022 | 358.58 | 358.58 |
| Additions | 10.48 | 10.48 |
| As at March 31, 2023 | 369.06 | 369.06 |
| Addition | - | - |
| As at June 30, 2023 | 369.06 | 369.06 |
| Amortization | | |
| As at March 31, 2022 | 318.58 | 318.58 |
| Charge for the year | 18.29 | 18.29 |
| As at March 31, 2023 | 336.87 | 336.87 |
| Charge for the year | 2.01 | 2.01 |
| As at June 30, 2023 | 338.88 | 338.88 |
| Net block | | |
| As at March 31, 2022 | 40.00 | 40.00 |
| As at March 31, 2023 | 32.19 | 32.19 |
| As at June 30, 2023 | 30.18 | 30.18 |

Note 12.1: Though the Company has fully amortized computer software asset, the same is still under use for business purpose.

Note 12: Capital work in progress

Note 12.1: The movement in capital work in progress is as under

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|----------------------------------|---------------|----------------|----------|
| | | 2023 | 2022 |
| As at the beginning of the year | 232.09 | - | - |
| Additions during the year | 42.77 | 232.09 | - |
| Capitalisation during the year | - | - | - |
| As at the end of the year | 274.86 | 232.09 | - |

Note 12.2: Capital work in progress ageing schedule

As at June 30, 2023

(Rs. In Lakhs)

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|--------------------------------|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 274.86 | - | - | - | 274.86 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 274.86 | - | - | - | 274.86 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|--------------------------------|--|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 232.09 | - | - | - | 232.09 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 232.09 | - | - | - | 232.09 |

Note 12.3: There are no projects in capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

13. Non-current investments

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|---|---------------|----------------|---------------|
| | | 2023 | 2022 |
| Investment property (at cost less accumulated depreciation) | | | |
| Cost of Residential flat | 142.00 | 142.00 | 142.00 |
| Less: Accumulated depreciation | - | - | - |
| | 142.00 | 142.00 | 142.00 |
| Non-trade investments (valued at cost unless stated otherwise) | | | |
| Investment in mutual funds | 2.21 | 2.21 | 2.21 |
| 100.148 unit (31 March 2022: 100.148 unit) Current NAV Rs. 2,401.6342 in LFGP IDBI liquid fund | 2.21 | 2.21 | 2.21 |
| Total | 144.21 | 144.21 | 144.21 |

14. Deferred tax asset (net)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|---|----------------|----------------|----------|
| | | 2023 | 2022 |
| Deferred tax liability | | | |
| Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | (15.09) | (15.09) | - |
| Gross deferred tax liability | (15.09) | (15.09) | - |
| Deferred tax asset | | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 17.92 | 17.92 | - |
| Others | - | - | - |
| Gross deferred tax asset | 17.92 | 17.92 | - |
| Net deferred tax asset | 33.01 | 33.01 | - |

15. Long term loans and advances

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|---|---------------|----------------|--------------|
| | | 2023 | 2022 |
| Loan and advances to related parties (note 32) | | | |
| Unsecured, considered good | 19.40 | 19.40 | 36.02 |
| Total | 19.40 | 19.40 | 36.02 |

16. Other non-current assets

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|----------------------------|---------------|----------------|-------|
| | | 2023 | 2022 |
| Security deposits | | | |
| Secured, considered good | - | - | - |
| Unsecured, considered good | 177.83 | 105.60 | 25.09 |

| | | | |
|-------------------------|---------------|---------------|---------------|
| Doubtful | - | - | - |
| | 177.83 | 105.60 | 25.09 |
| Others | | | |
| Cost of tenancy rights* | 66.94 | 66.94 | 85.61 |
| Total | 244.77 | 172.54 | 110.70 |

* Cost of tenancy rights are recognised on investment property for which possession is not yet given by the developer.

17. Trade receivables (current)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|------------------------------------|----------------|----------------|---------------|
| | | 2023 | 2022 |
| Secured, considered good | - | - | - |
| Unsecured, considered good | 1026.29 | 603.66 | 139.49 |
| Doubtful | - | - | - |
| | 1026.66 | 603.66 | 139.49 |
| Provision for doubtful receivables | - | - | - |
| | 1026.66 | 603.66 | 139.49 |

Trade receivables ageing: -

For June 30, 2023

(Rs. In Lakhs)

| Particulars | Current but not due | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|---------------------|--------------------|--------------------|-------------------|-----------------|
| Undisputed trade receivables | | | | | |
| - considered good | - | 1,026.29 | - | - | 1,026.29 |
| - which have significant increase in credit risk | - | - | - | - | - |
| - credit impaired | - | - | - | - | - |
| Disputed trade receivables | | | | | |
| - considered good | - | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - | - |
| - credit impaired | - | - | - | - | - |
| Total | - | 1,026.29 | - | - | 1,026.29 |
| Less: Allowances for doubtful debts | - | - | - | - | - |
| Total | - | 1,026.29 | - | - | 1,026.29 |

As at March 31, 2023

(Rs. In Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|--------------------|--------------------|-------------------|---------------|
| Undisputed trade receivables | | | | |
| - considered good | 595.95 | 7.71 | - | 603.66 |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Disputed trade receivables | | | | |
| - considered good | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Total | 595.95 | 7.71 | - | 603.66 |
| Less: Allowances for doubtful debts | - | - | - | - |
| Total | 595.95 | 7.71 | - | 603.66 |

As at March 31, 2022

(Rs. In Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 years | Total |
|--|--------------------|--------------------|-------------------|---------------|
| Undisputed trade receivables | | | | |
| - considered good | 139.49 | - | - | 139.49 |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Disputed trade receivables | | | | |
| - considered good | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | - |
| - credit impaired | - | - | - | - |
| Total | 139.49 | - | - | 139.49 |
| Less: Allowances for doubtful debts | - | - | - | - |
| Total | 139.49 | - | - | 139.49 |

18. Cash and bank balances (Current)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|----------------------------------|---------------|----------------|-------------|
| | | 2023 | 2022 |
| Cash and cash equivalents | | | |
| Balances with banks: | | | |
| – On current accounts | 5.60 | 14.07 | - |
| Cash on hand | 1.38 | 1.25 | 1.17 |
| Total | 6.98 | 15.32 | 1.17 |

19. Short term loans and advances

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|---------------|
| | | 2023 | 2022 |
| Advances recoverable in cash or kind | | | |
| Secured considered good | - | - | - |
| Unsecured considered good | 22.27 | 16.33 | 9.89 |
| Doubtful | - | - | - |
| | 22.27 | 16.33 | 9.89 |
| Provision for doubtful advances | - | - | - |
| | 22.27 | 16.33 | 9.89 |
| Other loans and advances Unsecured, considered good | | | |
| Prepaid expenses | 3.19 | 1.64 | 3.39 |
| Loans to employees | 7.67 | 8.38 | 2.47 |
| Balances with statutory / government authorities | 245.01 | 240.69 | 94.23 |
| | 255.87 | 250.71 | 100.09 |
| Total | 278.14 | 267.04 | 109.98 |

20. Other current assets

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|----------------------|---------------|----------------|-------------|
| | | 2023 | 2022 |
| Others | | | |
| Unbilled Revenue | 249.94 | 194.86 | 8.26 |
| Other current assets | 0.85 | 0.85 | - |
| Total | 250.79 | 195.71 | 8.26 |

21. Revenue from operations

(Rs. In Lakhs)

| Particulars | June 30, 2023 | For the period ended March 31 | |
|--------------------------------|----------------|-------------------------------|-----------------|
| | | 2023 | 2022 |
| Revenue from operations | | | |
| Sale of services | 1182.68 | 3,566.05 | 2,488.18 |
| Other operating revenue | - | 14.48 | - |
| | | | |
| Total | 1182.68 | 3,580.53 | 2,488.18 |

Detail of services rendered

(Rs. In Lakhs)

| Particulars | June 30, 2023 | For the period ended March 31 | |
|----------------------|----------------|-------------------------------|-----------------|
| | | 2023 | 2022 |
| VFX services | 1072.37 | 3,469.87 | 1,244.76 |
| Comics sales | 25.99 | 81.99 | 91.24 |
| Advertising services | 4.37 | 9.53 | - |
| Sponsorship fees | 107.00 | - | - |
| Participation fees | 22.50 | - | - |
| Other sales | 87.00 | 4.66 | 1,152.19 |
| | | | |
| Total | 1319.23 | 3,566.05 | 2,488.19 |

22. Other income

(Rs. In Lakhs)

| Particulars | June 30, 2023 | For the period ended March 31 | |
|---|---------------|-------------------------------|-------------|
| | | 2023 | 2022 |
| Dividend income on | | | |
| Current investments | - | 0.05 | 0.05 |
| Net gain on sale of current investments | - | 0.11 | - |
| Profit on sale of tenancy rights | - | 103.35 | - |
| Foreign exchange gain (net) | 3.06 | 3.16 | - |
| Other non-operating income | 0.75 | 5.18 | 0.16 |
| | | | |
| Total | 3.81 | 111.85 | 0.21 |

23. Employee benefits expense

(Rs. In Lakhs)

| Particulars | June 30, 2023 | For the period ended March 31 | |
|---|---------------|-------------------------------|---------------|
| | | 2023 | 2022 |
| Salaries, wages and bonus | 352.81 | 1,064.96 | 388.57 |
| Contribution to provident and other funds | 14.33 | 48.98 | 72.70 |
| Gratuity & leave encashment expense | 4.41 | 10.03 | 59.90 |
| Staff welfare expenses | 3.79 | 41.26 | 18.32 |
| | | | |
| Total | 375.34 | 1,165.23 | 539.49 |

24. Finance costs**(Rs. In Lakhs)**

| Particulars | June 30, 2023 | For the period ended March 31 | |
|---|---------------|-------------------------------|--------------|
| | | 2023 | 2022 |
| Interest | 31.31 | 48.10 | 39.30 |
| Bank charges | 1.11 | 0.04 | - |
| Amortization of ancillary borrowing costs | 5.69 | 23.93 | 0.59 |
| Total | 38.11 | 72.07 | 39.89 |

25. Depreciation and amortization expense**(Rs. In Lakhs)**

| Particulars | June 30, 2023 | For the period ended March 31 | |
|-----------------------------------|---------------|-------------------------------|--------------|
| | | 2023 | 2022 |
| Depreciation of tangible assets | 16.85 | 85.51 | 66.07 |
| Amortization of intangible assets | 2.01 | 18.29 | 25.82 |
| Total | 18.86 | 103.80 | 91.89 |

26. Other expenses**(Rs. In Lakhs)**

| Particulars | June 30, 2023 | For the period ended March 31 | |
|---------------------------------------|---------------|-------------------------------|---------------|
| | | 2023 | 2022 |
| Power and fuel | 2.18 | 7.59 | 11.43 |
| Rent | 115.00 | 391.98 | 146.73 |
| Rates and taxes | 11.43 | 6.16 | 5.36 |
| Insurance | 0.33 | 1.34 | 0.84 |
| Repairs and maintenance | | | |
| Plant and machinery | 11.08 | 82.84 | 19.90 |
| Buildings | - | 9.94 | - |
| Office expenses | - | - | 7.28 |
| Advertising and sales promotion | 30.64 | 84.76 | 161.40 |
| House keeping & security charges | - | - | 3.33 |
| Travelling and conveyance | 10.73 | 130.40 | 29.81 |
| Communication costs | 6.84 | 20.05 | 8.35 |
| Printing and stationery | 0.27 | 1.65 | 1.40 |
| Membership & subscription charges | - | - | 9.21 |
| Legal and professional fees | 57.27 | 168.53 | 52.11 |
| Payment to auditor (refer note below) | - | 2.70 | 1.20 |
| Foreign exchange loss (net) | 3.16 | 5.93 | 13.70 |
| Miscellaneous expenses | 17.47 | 3.27 | 4.75 |
| Total | 266.40 | 917.14 | 476.80 |

Note: The following is the break-up of Auditors remuneration exclusive of taxes**(Rs. In Lakhs)**

| | | | |
|-------------------------|----------|-------------|-------------|
| As auditor: | | | |
| Statutory audit | - | 2.70 | 1.20 |
| Total audit fees | - | 2.70 | 1.20 |

27. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|---------------|
| | | 2023 | 2022 |
| Profit/ (loss) after tax | 270.89 | 389.17 | 46.54 |
| Less : dividends on convertible preference shares & tax thereon | - | - | - |
| Net profit/ (loss) for calculation of basic EPS | 270.89 | 389.17 | 46.54 |
| Net profit as above | 270.89 | 389.17 | 46.54 |
| Add: dividends on convertible preference shares & tax thereon | - | - | - |
| Add: interest on bonds convertible into equity shares (net of tax) | - | - | - |
| Net profit/ (loss) for calculation of diluted EPS | 270.89 | 389.17 | 46.54 |
| Weighted average number of equity shares of face value of Rs.10 each outstanding during the year | 11.84 | 11.84 | 11.84 |
| Basic earnings per equity share | 22.88 | 32.87 | 3.93 |
| Diluted earnings per equity share | 22.88 | 32.87 | 3.93 |
| Networth | 813.30 | 542.66 | 153.48 |
| Return on Net worth (%) | 33.31% | 71.72% | 30.32% |
| Net Asset value per share (INR) | 68.69 | 45.83 | 12.96 |

28. Gratuity

Retirement benefits in the form of Gratuity and compensated absences have been valued by an independent actuary as on the Balance Sheet date. The accrued benefits are projected to the due date and valued prospectively by applying proper economic and demographic assumptions stated below. The liability is computed based on current salary levels projected to the probable due date using "Projected Unit Credit Method".

The following table summarizes the components of net benefit expense recognized in respect of Gratuity:

| Particulars | As at March 31 | |
|--|----------------|----------------|
| | 2023 | 2022 |
| Recognised in Profit & Loss | | |
| Current service cost | 20.89 | 6.10 |
| Interest cost | 3.10 | 1.90 |
| Expected return on plan assets | - | - |
| Actuarial (Gain)/ Loss on obligations | (16.24) | 8.76 |
| Total expenses | 7.75 | 16.76 |
| Liability recognised in Balance Sheet | | |
| Present Value of Obligations | 53.33 | 45.58 |
| Plan Assets | - | - |
| Surplus/ (Deficit) | (53.33) | (45.58) |
| Current Liability | 19.30 | 6.43 |
| Non- current Liability | 34.03 | 39.15 |
| Reconciliation of liability recognised in balance sheet | | |
| Opening defined benefit obligations | (45.58) | (31.43) |
| Expenses recognised during the year | (7.75) | (16.75) |
| Benefits paid | - | 2.60 |
| Actuarial (gain)/loss on obligations | - | - |
| Closing defined benefit obligations | (53.33) | (45.58) |
| Changes in the fair value of plan assets | | |
| Fair value of plan assets as at the beginning of the year | - | - |
| Adjustments to the opening fund | - | - |
| Expected return on plan assets | - | - |
| Contributions | - | - |
| Mortality Charges and Taxes | - | - |

| | | |
|---|---|---|
| Benefits paid | - | - |
| Actuarial gain/ (loss) on plan assets | - | - |
| Fair value of plan assets as at the end of the year | - | - |
| Actual return on plan assets | - | - |

The principal assumptions used in determining gratuity are shown below:

| | | |
|---|-------------|-------------|
| Discount rate | 7.20% | 7.20% |
| Rate of increase in compensation levels | 7.00% | 7.00% |
| Withdrawal rate | 5.00% | 5.00% |
| Retirement age | 58 years | 58 years |
| Expected average remaining working lives of employees | 11.42 years | 11.53 years |
| Average remaining working life | 19.78 years | 19.69 years |

Experience Adjustment History for 5 Years

| Experience History | 31-03-2019 | 31-03-2020 | 31-03-2021 | 31-03-2022 | 31-03-2023 |
|--|------------|------------|------------|------------|------------|
| Present Value of Obligations | - | - | 31.43 | 45.58 | 53.33 |
| Plan Assets | - | - | - | - | - |
| Surplus/ (Deficit) | - | - | (31.43) | (45.58) | (53.33) |
| Experience (Gain)/loss on plan liabilities | - | - | - | 10.15 | 1.47 |
| Experience (Gain)/loss on plan assets | - | - | - | - | - |

29. Leases

Operating lease: company as lessee

The company has entered into commercial leases on office. These leases have an average life of between one and three years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

| Particulars | June 30, 2023 | As at March 31 | |
|---|---------------|----------------|-------|
| | | 2023 | 2022 |
| Within one year | 304.80 | - | 43.28 |
| After one year but not more than five years | 304.80 | - | - |
| More than five years | - | - | - |

30. Additional information on subsidiaries and associates as mandated by Schedule III - General Instruction for the preparation of Consolidated Financial Statements of the Companies Act:

| Name of the entity | As at March 31, 2023 | |
|---|---|-----------------------------|
| | Net Assets (Total assets - Total liabilities) | |
| | As % of Consolidated net assets | Amount (before elimination) |
| Parent | | |
| Digikore Studios Limited (Formerly known as Digikore Studios Private Limited) | 108.91% | 591.00 |
| Subsidiaries | | |
| Digikore Visual Effects Inc. | (8.91%) | (48.34) |
| Total | 100.00% | 542.66 |

| Name of the entity | As at March 31, 2022 | |
|---|-------------------------------------|-----------------------------|
| | Share in Profit / (loss) | |
| | As % of Consolidated profit/ (loss) | Amount (before elimination) |
| Parent | | |
| Digikore Studios Limited (Formerly known as Digikore Studios Private Limited) | 112.43% | 437.53 |
| | | |
| Subsidiaries | | |
| Digikore Visual Effects Inc. | (12.43%) | (48.36) |
| Total | 100.00% | 389.17 |

31. Segment information

Operating segments are defined as components of an entity for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Company's CODM is the Director and the Company has only one reportable segment i.e. Visual effect services

Visual effect services includes Animation, Comics, Roto, matchmaking, paints etc for the Films, TV series, Web series, Documentaries and commercials and creation of sets for virtual Production. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments, viz. single segment of Visual effect services. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Geographical segment:

The business is organised in two geographical segments i.e. within India and outside India.

a) Revenue from external customers

(Rs. In Lakhs)

| Particulars | June 30, 2023 | For the period ended March 31 | |
|--|----------------|-------------------------------|-----------------|
| | | 2023 | 2022 |
| India | 140.25 | 57.08 | 1,204.71 |
| Outside India | 1042.43 | 3,523.00 | 1,283.47 |
| Total revenue per statement of profit or loss | 1182.68 | 3,580.08 | 2,488.18 |

b) Current assets:

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|-----------------------------|----------------|-----------------|---------------|
| | | 2023 | 2022 |
| India | 799.70 | 478.21 | 206.00 |
| Outside India | 762.50 | 603.52 | 53.11 |
| Total current assets | 1562.20 | 1,081.73 | 259.11 |

32. Related party disclosures

Names of related parties and related party relationship

| Related parties where control exists | |
|--------------------------------------|-------------------|
| Abhishek More | Managing Director |
| Rohit More | Director |
| Ramesh More | Director |

| | |
|------------------------------------|---|
| Prapti More | Relative of director |
| Jhumka More | Relative of director |
| Growel Softech Private Limited | Private company in which a director is a director |
| Gorav Investments Private Limited | Private company in which a director is a director |
| Poona Bottling Co. Private Limited | Private company in which a director is a director |
| Shree MPJ Cements works LLP | Firm in which a director is a partner |
| Conchat Mobile LLP | Firm in which a director is a partner |
| Digikore Design LLP | Firm in which a director is a partner |
| Digikore Travels LLP | Firm in which a director is a partner |
| Waluj Beverages LLP | Firm in which a director is a partner |
| Shree M P J cement works LLP | Firm in which a director is a partner |

Related parties under AS 18 with whom transactions have taken place during the year

Abhishek More
Rohit More
Ramesh More
Prapti More
Growel Softech Private Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Particulars | June 30, 2023 | As at March 31 | |
|---|---------------|----------------|-------|
| | | 2023 | 2022 |
| The transactions with related parties during the year and their outstanding balances are as follows: | | | |
| Salary | | | |
| Abhishek More | 17.94 | 58.44 | 34.27 |
| Professional fees | | | |
| Rohit More | 8.10 | 34.56 | 17.28 |
| Ramesh More | 4.05 | 16.63 | - |
| Prapti More | 3.65 | 14.59 | - |
| Purchase of goods/services | | | |
| Growel Softech Private Limited | 25.50 | 122.18 | 32.97 |
| Loans taken | | | |
| Rohit More | 4.86 | 0.52 | 3.25 |
| Abhishek More | 25.66 | 0.95 | 10.02 |
| Growel Softech Private Limited | 4.82 | - | 10.02 |
| Loan Given | | | |
| Abhishek More | - | - | 10.02 |
| Security deposit paid | | | |
| Rohit More | - | 35.00 | - |
| Balance outstanding: | | | |
| Professional fees payable | | | |
| Rohit More | 5.40 | 1.35 | 2.16 |
| Ramesh More | 1.35 | - | - |
| Share capital | | | |
| Rohit More | 19.91 | 19.91 | 19.91 |
| Abhishek More | 19.91 | 19.91 | 19.91 |

| | | | |
|------------------------------------|-------|-------|-------|
| Shri MPJ cement works LLP | 78.48 | 78.48 | 78.48 |
| Security deposit | | | |
| Rohit More | - | 35.00 | - |
| Loan payable | | | |
| Rohit More | 5.38 | 0.52 | - |
| Growel Softech Private Limited | 26.61 | 21.79 | 36.23 |
| Abhishek More | 26.61 | 0.95 | - |
| Ramesh More | - | - | 0.43 |
| Jhumka More | - | - | 1.14 |
| Waluj Beverages LLP | - | - | 49.89 |
| Loan receivable | | | |
| Conchact Mobile LLP | 11.58 | 11.58 | 11.58 |
| Digikore Design Ltd. | - | - | 0.07 |
| Digikore Travels LLP | 1.52 | 1.52 | 1.52 |
| Poona Bottling Co. Private Limited | 6.30 | 6.30 | 6.30 |
| Rohit More | - | - | 6.53 |
| Abhishek More | 0.07 | - | 10.02 |

33. Contingent liabilities

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|---------------------|---------------|----------------|----------|
| | | 2023 | 2022 |
| GST demand * | 56.38 | 56.38 | - |
| Income tax demand** | 26.18 | 26.18 | - |
| Total | 82.56 | 82.56 | - |

* GST demand comprise demand from the Indian tax authorities for payment of additional tax of INR 56.38 lakhs (31 March 2022: NIL), upon completion of their tax review for the financial years 2017-18 . The tax demands are on account of GST payable on Reverse charge Mechanism by the company under GST Acts. The matter is pending before the Commissioner of State tax (Maharashtra).

**TDS demand comprise demand from Indian tax authorities for payment of additional TDS liability of 26.18 lakhs (31 March 2022: NIL).

The company is contesting the demands and the management, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | June 30, 2023 | As at March 31 | |
|--|---------------|----------------|----------|
| | | 2023 | 2022 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | | |
| Principal amount due to micro and small enterprises | - | 7.95 | - |
| Interest due on above | 278.47 | 316.26 | - |
| Total | 278.47 | 324.21 | - |

| Particulars | As at March 31 | |
|---|----------------|------|
| | 2023 | 2022 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which | - | - |

| | | |
|--|---|---|
| have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | | |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| Amount remitted (in INR) | - | - |

35. The Company is in the process of filing all the compliances related to FEMA and RBI.

36. Earnings in foreign currency (accrual basis)

(Rs. In Lakhs)

| Particulars | June 30, 2023 | As at March 31 | |
|-------------------------|----------------|-----------------|-----------------|
| | | 2023 | 2022 |
| Exports at F.O.B. Value | 1042.43 | 3,523.45 | 1,283.48 |
| Total | 1042.43 | 3,523.45 | 1,283.48 |

37. Previous year figures

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

38. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Change | Reason for variance for more than 25 % |
|---------------------------------|--|---|----------------|----------------|-----------|---|
| Current ratio | Current Assets | Current Liabilities | 0.87 | 0.42 | (109.43%) | Increase in debtors due to new contracts and increase in payment terms of new customers |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 1.08 | 1.85 | 41.46% | Increase in profit in M23 resulted in improvement in ratio |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 1.02 | 0.51 | (99.79%) | Increase in profit in M23 resulted in improvement in ratio |
| Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 1.12 | 0.36 | (212.92%) | Increase in profit in M23 resulted in improvement in ratio |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | NA | NA | NA | NA |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 9.91 | 12.61 | 21.37% | NA |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | NA | NA | NA | NA |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | (22.76) | (7.85) | (189.81%) | Trade receivable has increased resulted in increase in WC |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 0.15 | 0.04 | (249.21%) | Sales increased resulted in increase in Profit |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.79 | 0.30 | (157.89%) | Increase in profit in M23 resulted in improvement in ratio |

39. Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated

- (i) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- (ii) The Company has not revalued its Property, Plant and Equipment.
- (iii) The Company has not granted loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - a) repayable on demand or
 - b) without specifying any terms or period of repayment

| Type of Borrower | Amount of loans or advance in the nature of loan outstanding | Percentage to the total loan and advances in the nature of loans |
|--------------------------|--|--|
| Promoters/Directors/KMPs | - | 0% |
| Related Parties | 19.40 | 100% |

- (iv) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- (v) The Company has been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- (vi) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- (vii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (viii) The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the relevant transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).
- (ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (x) The Company do not have any transactions with companies struck off.
- (xi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (xiii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Reconciliation of Restated Profit:

(Rs. In Lakhs)

| Particulars | For the period ended March 31 | |
|---|-------------------------------|--------------|
| | 2023 | 2022 |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 355.29 | 46.69 |
| Adjustments:- | | |
| Effect of reversal of inventory | (186.60) | 13.12 |
| Effect of recognition of unbilled revenue | 186.60 | (13.12) |
| Effect of restatement of Foreign debtor outstanding at year end | 3.19 | 0.93 |
| Effect of recognition of interest expense | (2.32) | (1.08) |
| Effect of recognition of investment in subsidiary | 0.06 | - |
| Deferred tax asset recognition | 33.01 | - |
| Net Profit/ (Loss) After Tax as Restated | 389.23 | 46.54 |

(Rs. In Lakhs)

| Reconciliation Of Restated Equity/Networth: | For the period ended March 31 | |
|--|-------------------------------|---------------|
| | 2023 | 2022 |
| Equity / Net worth As per Audited Financials | 510.53 | 155.23 |
| Adjustments for : | | |
| Opening balance adjustments | (1.76) | (1.61) |
| Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial | 33.94 | (0.15) |
| Equity / Net worth As Restated | 542.71 | 153.47 |

Adjustments Having No Impact On Networth And Profit:**Material Regrouping –**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period June 30, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Restated Financial Statements" beginning on page 131 of this Draft Red Herring Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" beginning on pages 21 and 15 respectively, of this Draft Red Herring Prospectus

COMPANY OVERVIEW

Our Company was incorporated on July 25, 2000 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Pune in the name and style of "Digikore Studios Private Limited". Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on September 28, 2001 and fresh certificate of incorporation dated January 16, 2002 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Private Limited company pursuant to which the name of our Company was changed to "Digikore Studios Private Limited" vide shareholder's approval on September 24, 2013 and fresh certificate of incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Digikore Studios Limited" vide shareholder's approval on April 25, 2023 and fresh certificate of incorporation dated May 22, 2023 issued by Registrar of Companies, Pune.

BUSINESS OVERVIEW

Digikore serves as a hub for top-tier industry talent. Having production facility in India, we specialize in delivering Visual Effects (VFX) for a diverse range of projects such as Films, Web Series, TV Series, Documentaries, and Commercials, all while maintaining a strong emphasis on cost-effectiveness. Our reputation as a world-class VFX studio is a result of our harmonious blend of imaginative creativity and cutting-edge technology.

Digikore was established by Mr. Abhishek Rameshkumar More in the year 2000. In its initial years, Digikore made its mark in the realm of Animation and Visual Effects (VFX). Worked with extensive portfolio of many Films and TV Series, notable works include projects like "Thor: Love and Thunder," "Black Panther: Wakanda Forever," "Glass Onion: A Knives Out Mystery," "Deadpool," "Star Trek," "Jumanji," "Stranger Things," "The Last Ship," "Titanic" "Gosht Rider: Spirit of Vengeance" "Transformer: Age of Extinction" "Crouching Tiger, Hidden Dragon: Sword of Destiny" and many more prestigious productions.

As a TPN-audited VFX studio, we offer a comprehensive suite of visual effects services, overseen by our experienced production team. Our artists harness the power of the latest software, hardware, and proprietary tools to produce exceptional VFX for some of the most prominent Films, Web Series, and TV Series.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 21 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Failure, defects, delays and other problems involving the technology systems and infrastructure on which we rely for providing our services and solutions to our clients;
- loss of consumers;
- Failure to comply with quality standards may lead to cancellation of existing and future orders;
- Uncertainty in relation to effect of any pandemic on our business and operations;
- Our dependence on our key personnel, including our Directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

DISCUSSION ON RESULT OF OPERATION ON STANDALONE BASIS

The following discussion on results of operations should be read in conjunction with the restated standalone financial results of our Company for period ended June 30, 2023 and for years ended March 31, 2023, 2022 and 2021.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Our Company’s revenue is primarily generated from Sale of products & Services:-

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|-------------------------|--------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Income | | | | |
| Revenue from Operations | 1,182.68 | 3,443.98 | 2,488.18 | 487.32 |
| Increase/Decrease in % | -65.66% | 38.41% | 410.58% | - |
| Other Income | 0.31 | 111.85 | 0.21 | 128.21 |
| Increase/Decrease in % | -99.72% | 53160.86% | -99.84% | - |
| Total Revenue | 1,182.99 | 3,555.83 | 2,488.39 | 615.53 |

The following is the Income mix in terms of value of total income of our Company from Services:-

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|-------------------------------------|--------------------|-----------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Revenue from Operation | | | | |
| Sale of Services | 1,182.68 | 3,429.50 | 2,488.18 | 487.32 |
| - VFX Services | 935.82 | 3,333.32 | 1,244.76 | - |
| - Comics Sales | 25.99 | 81.99 | 91.24 | - |
| - Advertising Sales | 4.37 | 9.53 | - | - |
| - Sponsorship Fees | 107.00 | | | |
| - Participation Fees | 22.50 | | | |
| - Other Sales | 87.00 | 4.66 | 1,152.19 | - |
| Other Operating Income | - | 14.48 | - | - |
| Total Revenue from Operation | 1,182.68 | 3,443.98 | 2,488.18 | 487.32 |

The following is the Income mix in terms of value of total other income of our Company from Services:-

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|-------------------------------------|--------------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Revenue from Operation | | | | |
| Sale of Services | 99.97% | 96.45% | 99.99% | 79.17% |
| - VFX Services | 79.11% | 93.74% | 50.02% | 0.00% |
| - Comics Sales | 2.20% | 2.31% | 3.67% | 0.00% |
| - Advertising Sales | 0.37% | 0.27% | 0.00% | 0.00% |
| - Sponsorship Fees | 9.04% | 0.00% | 0.00% | 0.00% |
| - Participation Fees | 1.90% | 0.00% | 0.00% | 0.00% |
| - Other Sales | 7.35% | 0.13% | 46.30% | 0.00% |
| Other Operating Income | 0.00% | 0.41% | 0.00% | 0.00% |
| Total Revenue from Operation | 99.97% | 96.85% | 99.99% | 79.17% |

Other Income

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|---|--------------------|----------------|-------------|---------------|
| | | 2023 | 2022 | 2021 |
| Other Income: | | | | |
| Dividend Income | - | 0.05 | 0.05 | - |
| Net Gain On Sale Of Current Investments | - | 0.11 | - | - |
| Profit On Sale Of Tenancy Rights | - | 103.35 | - | - |
| Foreign Exchange Gain (Net) | - | 3.16 | - | - |
| Other Non-Operating Income | 0.31 | 5.18 | 0.16 | 128.21 |
| Total Other Income | 0.31 | 111.85 | 0.21 | 128.21 |

The following is the other income mix in terms of percentage of other income of our Company:

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|---|--------------------|----------------|----------------|----------------|
| | | 2023 | 2022 | 2021 |
| Other Income: | | | | |
| Dividend Income | 0.00% | 0.04% | 23.81% | 0.00% |
| Net Gain On Sale Of Current Investments | 0.00% | 0.10% | 0.00% | 0.00% |
| Profit On Sale Of Tenancy Rights | 0.00% | 92.40% | 0.00% | 0.00% |
| Foreign Exchange Gain (Net) | 0.00% | 2.83% | 0.00% | 0.00% |
| Other Non-Operating Income | 100.00% | 4.63% | 76.19% | 100.00% |
| Total Other Income | 100.00% | 100.00% | 100.00% | 100.00% |

Main Components of our Revenues

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Revenue from Operations includes income from Sales of services and Other Operating income. Sales of Services as a percentage of total revenue was 96.85%, 99.99% and 79.17% in fiscals 2023, 2022 and 2021 respectively.

Other Income

Our other income includes Dividend Income, Net Gain on sale of Current Investments, Profit on sales of current investments, profit from sales of tenancy rights, foreign exchange gain/loss and other non-operating income and Other income, as a percentage of total income was 3.15%, 0.01% and 26.31% in fiscals 2023, 2022 and 2021 respectively.

Expenditure

Our total expenditure primarily consists of (i) Cost of Technical Subcontractors (ii) Employee Benefit Expenses (iii) Finance costs (iv) Depreciation and Amortization and (v) Other expenses

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

(Rs. in Lakhs)

| Particulars | As on June 2023 | For The Year Ended March 31 | | |
|----------------------------------|----------------------------|------------------------------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| EXPENDITURE | | | | |
| Cost of Technical Subcontractors | 112.93 | 735.22 | 1,235.92 | 230.54 |
| As a % of Total Revenue | 9.55% | 20.68% | 49.67% | 37.45% |
| Employee Benefit Expenses | 375.34 | 1,165.23 | 539.49 | 162.55 |
| As a % of Total Revenue | 31.73% | 32.77% | 21.68% | 26.41% |
| Finance costs | 38.01 | 71.47 | 39.89 | 73.20 |
| As a % of Total Revenue | 3.21% | 2.01% | 1.60% | 11.89% |
| Depreciation and Amortization | 18.86 | 103.80 | 91.89 | 25.72 |
| As a % of Total Revenue | 1.59% | 2.92% | 3.69% | 4.18% |
| Other expenses | 254.24 | 907.30 | 476.80 | 120.90 |
| As a % of Total Revenue | 21.49% | 25.52% | 19.16% | 19.64% |
| Total Expenditure | 799.38 | 2,983.02 | 2,383.99 | 612.91 |
| As a % of Total Revenue | 67.57% | 83.89% | 95.80% | 99.57% |

Main Components of our Expenditure

Cost of Technical Subcontractors

Cost of Technical Subcontractors, accounted for 20.68%, 49.67% and 37.45% of our total revenue for the financial year ended as on March 31, 2023, 2022 and 2021 respectively.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include Salaries, wages and bonus, Contribution to provident and other funds, Gratuity & leave encashment expense and Staff welfare expenses. Total employee expenses as percent of total revenue was 32.77%, 21.68% and 26.41% for the financial year ended as on March 31, 2023, 2022 and 2021 respectively.

Finance Cost

Finance Cost primarily consists of interest expenses on borrowings Amortization of ancillary borrowing costs. Our finance costs accounted for 2.01%, 1.60% and 11.89% of our total revenue for the financial year ended as on March 31, 2023, 2022 and 2021 respectively.

Depreciation & Amortization

Depreciation primarily consists of depreciation on the tangible assets of our Company which primarily includes Plant & Machinery, Furniture & Fixtures, Electrical fittings, Vehicles, computers, office equipment's and Amortization is on intangible assets of our company. It is provided using the written down method as per the useful lives of assets estimated by the management or at the rates as per the useful life prescribed under Schedule II of the Companies Act, 2013. Our depreciation and amortization expense accounted for 2.92%, 3.69% and 4.18% of our total revenue for the financial year ended as on March 31, 2023, 2022 and 2021 respectively.

Other Expenses

Other expenses primarily include Rent, Legal and Professional Fees, Business Promotion, Travelling and Conveyance, Repairs and Maintenance and others. Other expenses accounted etc. accounted for 25.52%, 19.16% and 19.64% of our total revenue for the financial year ended as on March 31, 2023, 2022 and 2021 respectively.

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated summary financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. in Lakhs)

| Particulars | As on June 2023 | For The Year Ended March 31 | | |
|--|-----------------|-----------------------------|-----------------|---------------|
| | | 2023 | 2022 | 2021 |
| INCOME | | | | |
| Revenue from Operations | | | | |
| Revenue | 1,182.68 | 3,443.98 | 2,488.18 | 487.32 |
| As a % of Total Revenue | 99.97% | 96.85% | 99.99% | 79.17% |
| Increase/Decrease in % | -65.66% | 38.41% | 410.58% | NA |
| Other Income | 0.31 | 111.85 | 0.21 | 128.21 |
| As a % of Total Revenue | 0.03% | 3.15% | 0.01% | 20.83% |
| Increase/Decrease in % | -99.72% | 53160.86% | -99.84% | NA |
| Total Revenue | 1,182.99 | 3,555.83 | 2,488.39 | 615.53 |
| EXPENDITURE | | | | |
| Cost of Technical Subcontractors | 112.93 | 735.22 | 1,235.92 | 230.54 |
| As a % of Total Revenue | 9.55% | 20.68% | 49.67% | 37.45% |
| Employee Benefit Expenses | 375.34 | 1,165.23 | 539.49 | 162.55 |
| As a % of Total Revenue | 31.73% | 32.77% | 21.68% | 26.41% |
| Finance costs | 38.01 | 71.47 | 39.89 | 73.20 |
| As a % of Total Revenue | 3.21% | 2.01% | 1.60% | 11.89% |
| Depreciation and Amortization | 18.86 | 103.80 | 91.89 | 25.72 |
| As a % of Total Revenue | 1.59% | 2.92% | 3.69% | 4.18% |
| Other expenses | 254.24 | 907.30 | 476.80 | 120.90 |
| As a % of Total Revenue | 21.49% | 25.52% | 19.16% | 19.64% |
| Total Expenditure | 799.38 | 2,983.02 | 2,383.99 | 612.91 |
| As a % of Total Revenue | 67.57% | 83.89% | 95.80% | 99.57% |
| Profit Before Exceptional Items and Tax | 383.61 | 572.81 | 104.40 | 2.62 |
| As a % of Total Revenue | 32.43% | 16.11% | 4.20% | 0.43% |
| Exceptional Items | - | - | - | - |
| As a % of Total Revenue | 0.00% | 0.00% | 0.00% | 0.00% |
| Extraordinary Items | - | - | - | - |
| As a % of Total Revenue | 0.00% | 0.00% | 0.00% | 0.00% |

| | | | | |
|---|---------------|---------------|---------------|--------------|
| Profit Before tax | 383.61 | 572.81 | 104.40 | 2.62 |
| PBT Margin (%) | 32.43% | 16.11% | 4.20% | 0.43% |
| Tax expense : | | | | |
| (a) Current tax | 103.96 | 168.36 | 57.86 | 0.82 |
| (c) Deferred Tax | - | (33.01) | - | - |
| Total | 103.96 | 135.35 | 57.86 | 0.82 |
| As a % of Total Revenue | 8.79% | 3.81% | 2.33% | 0.13% |
| Profit After Tax | 279.65 | 437.46 | 46.54 | 1.80 |
| Less: Profit/(Loss) attributable to minority interest | - | - | - | - |
| Profit/(Loss) for the Year | 279.65 | 437.46 | 46.54 | 1.80 |
| PAT Margin (%) | 23.64% | 12.30% | 1.87% | 0.29% |
| Cash Profit | 298.51 | 541.26 | 138.43 | 27.52 |
| Cash Profit Margin (%) | 25.23% | 15.22% | 5.56% | 4.47% |

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the Income Tax Act, 1961.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

The following table presents the details of our Company’s trade receivables:

(Rs. in Lakhs)

| Particulars | As on June 2023 | As at March 31 | | |
|--|--------------------|----------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Unsecured and Considered Good | | | | |
| Outstanding for a period not exceeding 6 months | 1,023.43 | 591.01 | 139.49 | 280.62 |
| As a % of total Trade receivables | 99.25% | 98.71% | 100.00% | 100.00% |
| Outstanding for a period exceeding 6 months | 7.71 | 7.71 | - | - |
| As a % of total Trade receivables | 0.75% | 1.29% | 0.00% | 0.00% |
| Less: Provision for doubtful debts | - | - | - | - |
| Unbilled Debtors Considered Good | - | - | - | - |
| As a % of total Trade receivables | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Trade receivables | 1,031.14 | 598.72 | 139.49 | 280.62 |
| Trade receivables Turnover Ratio | 1.15 | 5.94 | 17.84 | 2.19 |
| Collection Period (in days) | 318 | 61 | 20 | 166 |

FOR THE PERIOD APRIL TO JUNE 2023

Income

Total revenue June quarter is reported at Rs 1,182.99 Lakhs of which Revenue from operations was 1,182.68 lakhs and Other Income contributed to Rs 0.31 Lakhs. Revenue from operations consists of Revenue from Sales of Services.

Expenditure

Total Expenditure reported for June quarter 2023 at Rs 799.38 Lakhs which is 67.57% of the total Revenue.

Cost of Technical Subcontractors

Cost of technical subcontractor is Rs 112.93 Lakhs which forms 9.55% of the total revenue compared to Rs 735.22 Lakhs in fiscal year 2022-23.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value for June quarter is reported at Rs 375.34 Lakhs which is 31.73% of the total revenue for June 2023.

Finance Costs

Finance Costs for June quarter reported at Rs38.01 Lakhs which is 3.21% of the total revenue.

Depreciation and Amortization

Depreciation and Amortization in terms of value was reported at Rs18.86 lakhs which constituted to 1.59% of the total revenue. Mainly increased due to purchase of fixed assets.

Other Expenses

Other Expenses was reported at Rs 254.24 lakhs which constituted at 21.49% of the total revenue in quarter ended June 2023.

Profit/Loss before Tax

Profit before Tax for the June quarter reported at Rs. 383.60

Net Profit for the year

For the period ended June 2023, Net Profit reported at Rs 279.65 lakhs.

FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Income

Total revenue increased by Rs. 1067.44 Lakhs and 42.90% from Rs. 2,488.39 Lakhs in the fiscal year ended March 31, 2022 to Rs. 3,555.83 Lakhs in the fiscal year ended March 31, 2023. The revenue has increased due to increase in the sales of services and majorly by increase in revenue from VFX services from Rs 1,244.76 Lakhs in the fiscal year ended March 31, 2022 to Rs. 3,333.32 Lakhs in the fiscal year ended March 31, 2022.

Expenditure

Total Expenditure increased by Rs. 599.09 Lakhs and 25.13%, from Rs. 2,383.99 Lakhs in the fiscal year ended March 31, 2022 to Rs. 2,983.02 Lakhs in the fiscal year ended March 31, 2023. Overall expenditure increased majorly due to increase in Employee expenses, and other expenses due as compared to the previous year.

Cost of Technical Subcontractors

Expenses declined by Rs. 500.70 Lakhs and -40.51%, from Rs. 1,235.92 Lakhs in the fiscal year ended March 31, 2022 to Rs. 735.22 Lakhs in the fiscal year ended March 31, 2023.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. 625.74 Lakhs and 115.99% from Rs. 539.49 Lakhs in the fiscal year ended March 31, 2022 to Rs. 1,165.23 Lakhs in the fiscal year ended March 31, 2023. Employee cost has increased due to increase in head count and salary expenses.

Finance Costs

Finance Costs increased by Rs. 31.58 Lakhs and 79.16% from Rs. 39.89 Lakhs in the fiscal year ended March 31, 2022 to Rs. 71.47 Lakhs in the fiscal year ended March 31, 2023, due to increase in Long term and short term borrowings.

Depreciation and Amortization

Depreciation and Amortization in terms of value and percentage increased Rs11.91 lakh and by 12.96% from Rs. 91.89 Lakhs in the fiscal year ended March 31, 2022 to Rs. 103.80 Lakhs in the fiscal year ended March 31, 2023 mainly due to purchase of vehicle and furniture's & Fixtures.

Other Expenses

Other Expenses in terms of value and percentage increased Rs 430.50 lakh and by 90.29% from Rs. 476.80 Lakhs in the fiscal year ended March 31, 2022 to Rs. 907.30 Lakhs in the fiscal year ended March 31, 2023. Other Expenses have increased mainly due increase Rent, Repairs & maintenance, travelling expenses and Legal and Professional and Rent expenses.

Profit/Loss before exceptional & extraordinary items and Tax

Profit before exceptional & extraordinary items and Tax has increased by Rs. 468.41 Lakhs and 448.67% from Rs. 104.40 Lakhs in the fiscal year ended March 31, 2022 to Rs. 572.81 Lakhs in the fiscal year ended March 31, 2023. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operation and fall in total expenditure as percent of total revenue from 95.8% in fiscal year ended March 31, 2022 to 83.89% in fiscal year ended March 31, 2023.

Net Profit for the year

Net Profit has increased by Rs. 390.92 Lakhs and 839.97% from profit of Rs. 46.54 Lakhs in the fiscal year ended March 31, 2022 to Rs. 437.46 Lakhs in the fiscal year ended March 31, 2023.

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021

Income

Total revenue increased by Rs. 1872.86 Lakhs and 304.27% from Rs. 615.53 Lakhs in the fiscal year ended March 31, 2021 to Rs. 2,488.39 Lakhs in the fiscal year ended March 31, 2022. Due to relaxation in covid norms and opening of global economy the revenue has increased due to increased majorly by increase in revenue from VFX services and other sales.

Expenditure

Total Expenditure increased by Rs. 1,771.08Lakhs and 288.96%, from Rs. 612.91Lakhs in the fiscal year ended March 31, 2021 to Rs. 2,383.99Lakhs in the fiscal year ended March 31, 2022. Overall expenditure increased majorly due to increase in Cost of technical subcontracts, Employee expenses, and other expenses due as compared to the previous year.

Cost of Technical Subcontractors

Expenses increased by Rs. 1,005.38 Lakhs and 436.10%, from Rs. 230.54Lakhs in the fiscal year ended March 31, 2021 to Rs. 1,235.92Lakhs in the fiscal year ended March 31, 2022.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. 376.94 Lakhs and 231.89% from Rs. 162.55 Lakhs in the fiscal year ended March 31, 2021 to Rs. 539.49 Lakhs in the fiscal year ended March 31, 2022. Employee cost has increased due to increase in head count and salary expenses.

Finance Costs

Finance Costs declined by Rs. 33.31 Lakhs and -45.51% from Rs. 73.20 Lakhs in the fiscal year ended March 31, 2021 to Rs. 39.89 Lakhs in the fiscal year ended March 31, 2022, due to decrease in Long term and short term borrowings.

Depreciation and Amortization

Depreciation and Amortization in terms of value and percentage increased Rs 66.17 lakh and by 257.27% from Rs. 25.72 Lakhs in the fiscal year ended March 31, 2021 to Rs. 91.89 Lakhs in the fiscal year ended March 31, 2022 mainly due to purchase of vehicle and furniture's & Fixtures.

Other Expenses

Other Expenses in terms of value and percentage increased Rs 355.90 lakh and by 294.38% from Rs. 120.90 Lakhs in the fiscal year ended March 31, 2021 to Rs. 476.80 Lakhs in the fiscal year ended March 31, 2023. Other Expenses have increased mainly due to increase Rent, Repairs & maintenance, travelling expenses and Legal and Professional and Rent expenses.

Profit/Loss before exceptional & extraordinary items and Tax

Profit before exceptional & extraordinary items and Tax has increased by Rs. 101.78 Lakhs and 3884.73% from Rs. 2.62 Lakhs in the fiscal year ended March 31, 2021 to Rs. 104.40 Lakhs in the fiscal year ended March 31, 2022. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operation and fall in total expenditure as percent of total revenue from 99.57% in fiscal year ended March 31, 2021 to 95.80% in fiscal year ended March 31, 2022.

Net Profit for the year

Net Profit has increased by Rs. 44.74 Lakhs and 2485.56% from profit of Rs. 1.80 Lakhs in the fiscal year ended March 31, 2021 to Rs. 46.54 Lakhs in the fiscal year ended March 31, 2022.

(Rs. In Lakhs)

| Particulars | Year ended March 31, | | |
|------------------------------------|----------------------|----------|----------|
| | 2023 | 2022 | 2021 |
| Net Cash from Operating Activities | 123.41 | 417.27 | 186.88 |
| Net Cash from Investing Activities | (310.07) | (229.47) | (151.39) |
| Net Cash from Financial Activities | 186.68 | (189.20) | (35.38) |

Cash Flows from Operating Activities

Net Cash Generated from Operating Activities for June 2023 reported at Rs -213.60, this was mainly due to increase in receivables and other assets.

Net Cash Generated from Operating Activities in financial year 2023 was Rs 123.41 lakhs as compared to Rs 417.27 lakhs in financial year 2022. This was mainly on account of increase in payable and Profits from operations.

In the financial year 2022, it was Rs. 417.27 lakhs as compared to Rs 186.88 Lakhs in financial year 2021. This was mainly on account of increase in receivables and other current liabilities.

In the financial year 2021, Net Cash Generated from Operating Activities was Rs. 186.68, the cash flows were resulted from increase in trade payables and decrease in other current assets.

Cash Flows from Investment Activities

Net Cash Generated from Investing Activities for June 2023 reported at Rs -52.60 Lakhs due to expenditure on fixed assets.

In financial year 2023, the Net Cash Invested in Investing Activities was Rs. -310.07 lakhs. This was on account of capital expenditure to the extent of Rs 313.31 Lakhs.

In financial year 2022, the Net Cash Invested in Investing Activities was Rs. -229.47 lakhs. This was mainly on account of increase in capital expenditure to the extent of Rs 229.42 Lakhs.

In financial year 2021, the Net Cash Invested in Investing Activities was Rs. -151.39 lakhs. This was mainly on account of increase in investment to the extent Rs142.00 Lakhs.

Cash Flows from Financing Activities

Net Cash from Financing Activities was reported at Rs 266.63 Lakhs, this was on account of proceeds from long term borrowings.

In financial year 2023, the Net Cash from Financing Activities was Rs. 186.68 lakhs. This was mainly on account net proceeds from short term borrowings to the extent of Rs193.05 Lakhs.

In financial year 2022, the Net Cash from Financing Activities was negative to the extent of Rs.189.20lakhs. Due to net repayment of Long term & short term borrowings to the extent of Rs125.33 Lakhs and Rs 23.98 Lakhs respectively.

In financial year 2021, the Net Cash from Financing Activities was negative to Rs.35.38 lakhs. Due repayment of long term borrowings and interest paid to the extent of Rs 33.51 Lakhs and Rs 73.20 Lakhs respectively.

DISCUSSION ON RESULT OF OPERATION ON CONSOLIDATED BASIS

The following discussion on results of operations should be read in conjunction with the restated consolidated financial results of our Company for period ended June 30, 2023 and for years ended March 31, 2023 and 2022.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Our Company's revenue is primarily generated from Sale of products& Services:-

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|-------------------------|--------------------|-----------------|-----------------|
| | | 2023 | 2022 |
| Income | | | |
| Revenue from Operations | 1,182.68 | 3,580.53 | 2,488.18 |
| Increase/Decrease in % | -66.97% | 43.90% | - |
| Other Income | 3.81 | 111.85 | 0.21 |
| Increase/Decrease in % | -96.59% | 52411.50% | - |
| Total Revenue | 1,186.49 | 3,692.38 | 2,488.39 |

The following is the Income mix in terms of value of total income of our Company from Services: -

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|-------------------------------------|-----------------------|-----------------|-----------------|
| | | 2023 | 2022 |
| Revenue from Operation | | | |
| Sale of Services | 1,182.68 | 3,566.05 | 2,488.18 |
| - VFX Services | 935.82 | 3,469.87 | 1,244.76 |
| - Comics Sales | 25.99 | 81.99 | 91.24 |
| - Sponsorship Fees | 107.00 | - | - |
| - Advertising Sales | 4.37 | 9.53 | - |
| - Participation Fees | 22.50 | - | - |
| - Other Sales | 87.00 | 4.66 | 1,152.19 |
| Other Operating Income | - | 14.48 | - |
| Total Revenue from Operation | 1,182.68 | 3,580.53 | 2,488.18 |

The following is the Income mix in terms of value of total other income of our Company from Services: -

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|-------------------------------------|-----------------------|----------------|----------------|
| | | 2023 | 2022 |
| Revenue from Operation | | | |
| Sale of Services | 100.00% | 99.60% | 100.00% |
| - VFX Services | 79.13% | 96.91% | 50.03% |
| - Comics Sales | 2.20% | 2.29% | 3.67% |
| - Sponsorship Fees | 9.05% | - | - |
| - Advertising Sales | 0.37% | 0.27% | 0.00% |
| - Participation Fees | 1.90% | - | - |
| - Other Sales | 7.36% | 0.13% | 46.31% |
| Other Operating Income | - | 0.40% | - |
| Total Revenue from Operation | 100.00% | 100.00% | 100.00% |

Other Income

The following is the other income mix in terms of percentage of total other income of our Company:

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|---|--------------------|----------------|-------------|
| | | 2023 | 2022 |
| Other Income: | | | |
| Dividend Income | - | 0.05 | 0.05 |
| Net Gain On Sale Of Current Investments | - | 0.11 | - |
| Profit On Sale Of Tenancy Rights | - | 103.36 | - |
| Foreign Exchange Gain (Net) | 3.06 | 3.16 | - |
| Other Non-Operating Income | 0.75 | 5.18 | 0.16 |
| Total Other Income | 3.81 | 111.85 | 0.21 |

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|---|-----------------------|----------------|----------------|
| | | 2023 | 2022 |
| Other Income: | | | |
| Dividend Income | - | 0.04% | 23.47% |
| Net Gain On Sale Of Current Investments | - | 0.10% | - |
| Profit On Sale Of Tenancy Rights | - | 92.41% | - |
| Foreign Exchange Gain (Net) | 80.31% | 2.82% | 0.00% |
| Other Non-Operating Income | 19.69% | 4.63% | 76.53% |
| Total Other Income | 100.00% | 100.00% | 100.00% |

Main Components of our Revenues

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Revenue from Operations includes income from Sales of services and Other Operating income. Sales of Services as a percentage of total revenue was 96.97% and 99.99% 2023 and 2022.

Other Income

Our other income includes Dividend Income, Net Gain on sale of Current Investments, Profit on sales of current investments, profit from sales of tenancy rights, foreign exchange gain/loss and other non-operating income and Other income, as a percentage of total income was 3.03% and 0.01% in fiscals 2023 and 2022 respectively.

Expenditure

Our total expenditure primarily consists of (i) Cost of Technical Subcontractors(ii) Employee Benefit Expenses (iii) Finance costs (iv)Depreciation and Amortization and (v) Other expenses

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

(Rs. in Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|----------------------------------|--------------------|-----------------|-----------------|
| | | 2023 | 2022 |
| EXPENDITURE | | | |
| Cost of Technical Subcontractors | 112.93 | 909.62 | 1,235.92 |
| As a % of Total Revenue | 9.52% | 24.64% | 49.67% |
| Employee Benefit Expenses | 375.34 | 1,165.23 | 539.49 |
| As a % of Total Revenue | 31.63% | 31.56% | 21.68% |
| Finance costs | 38.11 | 72.07 | 39.89 |
| As a % of Total Revenue | 3.21% | 1.95% | 1.60% |
| Depreciation and Amortization | 18.86 | 103.80 | 91.89 |
| As a % of Total Revenue | 1.59% | 2.81% | 3.69% |
| Other expenses | 266.40 | 917.14 | 476.80 |
| As a % of Total Revenue | 22.45% | 24.84% | 19.16% |
| Total Expenditure | 811.64 | 3,167.86 | 2,383.99 |

Main Components of our Expenditure

Cost of Technical Subcontractors

Cost of Technical Subcontractors, accounted for 24.64% and 49.67% of our total revenue for the financial year ended as on March 31, 2023 and 2022 respectively.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include Salaries, wages and bonus, Contribution to provident and other funds, Gratuity & leave encashment expense and Staff welfare expenses. Total employee expenses as percent of total revenue was 31.56% and 21.68% for the financial year ended as on March 31, 2023, and 2022 respectively.

Finance Cost

Finance Cost primarily consists of interest expenses on borrowings Amortization of ancillary borrowing costs. Our finance costs accounted for 1.95% and 1.60% of our total revenue for the financial year ended as on March 31, 2023 and 2022 respectively.

Depreciation & Amortization

Depreciation primarily consists of depreciation on the tangible assets of our Company which primarily includes Plant & Machinery, Furniture & Fixtures, Electrical fittings, Vehicles, computers, office equipment's and Amortization is on intangible assets of our company. It is provided using the written down method as per the useful lives of assets estimated by the management or at the rates as per the useful life prescribed under Schedule II of the Companies Act, 2013. Our depreciation and amortization expense accounted for 2.81% and 3.69% of our total revenue for the financial year ended as on March 31, 2023 and 2022 respectively.

Other Expenses

Other expenses primarily include Rent, Legal and Professional Fees, Business Promotion, Travelling and Conveyance, Repairs and Maintenance and others. Other expenses accounted etc. accounted for 24.84% and 19.16% of our total revenue for the financial year ended as on March 31, 2023 and 2022 respectively.

Total Expenditure

Total expenditure accounted for 85.79% and 95.80% of our total revenue for the financial year ended as on March 31, 2023 and 2022 respectively.

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated summary financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. in Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|---|-----------------------|-----------------|-----------------|
| | | 2023 | 2022 |
| INCOME | | | |
| Revenue from Operations | | | |
| Revenue | 1,182.68 | 3,580.53 | 2,488.18 |
| As a % of Total Revenue | 99.68% | 96.97% | 99.99% |
| Increase/Decrease in % | -66.97% | 43.90% | NA |
| Other Income | 3.81 | 111.85 | 0.21 |
| As a % of Total Revenue | 0.32% | 3.03% | 0.01% |
| Increase/Decrease in % | -96.59% | 52411.50% | NA |
| Total Revenue | 1,186.49 | 3,692.38 | 2,483.99 |
| EXPENDITURE | | | |
| Cost of Technical Subcontractors | 112.93 | 909.62 | 1,235.92 |
| As a % of Total Revenue | 9.52% | 24.64% | 49.67% |
| Employee Benefit Expenses | 375.34 | 1,165.23 | 539.49 |
| As a % of Total Revenue | 31.63% | 31.56% | 21.68% |
| Finance costs | 38.11 | 72.07 | 39.89 |
| As a % of Total Revenue | 3.21% | 1.95% | 1.60% |
| Depreciation and Amortization | 18.86 | 103.80 | 91.89 |
| As a % of Total Revenue | 1.59% | 2.81% | 3.69% |
| Other expenses | 266.40 | 917.14 | 476.80 |
| As a % of Total Revenue | 22.45% | 24.84% | 19.16% |
| Total Expenditure | 811.64 | 3,167.86 | 2,384.00 |
| As a % of Total Revenue | 68.41% | 85.79% | 95.80% |
| Profit Before Exceptional Items and Tax | 374.85 | 524.52 | 104.40 |
| As a % of Total Revenue | 31.59% | 14.21% | 4.20% |
| Exceptional Items | - | - | - |
| As a % of Total Revenue | 0.00% | 0.00% | 0.00% |
| Extraordinary Items | - | - | - |
| As a % of Total Revenue | 0.00% | 0.00% | 0.00% |
| Profit Before tax | 374.85 | 524.52 | 104.40 |
| PBT Margin (%) | 31.59% | 14.21% | 4.20% |
| Tax expense : | | | |
| (a) Current tax | 103.96 | 163.26 | 57.86 |
| (b) Adjustment of tax relating to earlier periods | - | 5.10 | - |
| (c) Deferred Tax | - | (33.01) | - |
| Total | 103.96 | 135.35 | 57.86 |
| As a % of Total Revenue | 8.76% | 3.67% | 2.33% |
| Profit After Tax | 270.89 | 389.17 | 46.54 |
| Less: Profit/(Loss) attributable to minority interest | - | - | - |
| Profit/(Loss) for the Year | 270.89 | 389.17 | 46.54 |
| PAT Margin (%) | 22.83% | 10.54% | 1.87% |
| Cash Profit | 289.75 | 492.97 | 138.43 |
| Cash Profit Margin (%) | 24.42% | 13.35% | 5.56% |

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the Income Tax Act, 1961.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

FOR THE PERIOD APRIL TO JUNE 2023

Income

Total revenue June quarter is reported at Rs 1,186.49 Lakhs of which Revenue from operations was 1,182.68 lakhs and Other Income contributed to Rs 3.81 Lakhs. Revenue from operations consist of Revenue from Sales of Services.

Expenditure

Total Expenditure reported for June quarter 2023 at Rs 811.64 Lakhs which is 68.41% of the total Revenue.

Cost of Technical Subcontractors

Cost of technical subcontractor is Rs 112.93 Lakhs which forms 9.52% of the total revenue compared to Rs. 909.62 Lakhs in fiscal year 2022-23.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value for June quarter is reported at Rs 375.34 Lakhs which is 31.63% of the total revenue for June 2023.

Finance Costs

Finance Costs for June quarter reported at Rs38.11 Lakhs which is 3.21% of the total revenue.

Depreciation and Amortization

Depreciation and Amortization in terms of value was reported at Rs18.86 lakhs which constituted to 1.59% of the total revenue. Mainly increased due to purchase of fixed assets.

Other Expenses

Other Expenses was reported at Rs 266.40 lakhs which constituted at 22.45% of the total revenue in quarter ended June 2023.

Profit/Loss before Tax

Profit before Tax for the June quarter reported at Rs374.85 compared to Rs 524.52 Lakhs in fiscal year 2022-23

Net Profit for the year

For the period ended June 2023, Net Profit reported at Rs 270.89 lakhs.

FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Income

Total revenue increased by Rs. 1,203.99 Lakhs and 48.38% from Rs. 2,488.39 Lakhs in the fiscal year ended March 31, 2022 to Rs. 3,692.38 Lakhs in the fiscal year ended March 31, 2023. The revenue has increased due to increase in the sales of services and majorly by increase in revenue from VFX services from Rs 1,244.76 Lakhs in the fiscal year ended March 31, 2022 to Rs. 3,469.87 Lakhs in the fiscal year ended March 31, 2022.

Expenditure

Total Expenditure increased by Rs. 783.87 Lakhs and 32.88%, from Rs. 2,383.99 Lakhs in the fiscal year ended March 31, 2022 to Rs. 3,167.86 Lakhs in the fiscal year ended March 31, 2023. Overall expenditure increased majorly due to increase in Employee expenses, and other expenses due as compared to the previous year.

Cost of Technical Subcontractors

Expenses declined by Rs. 326.30 Lakhs and 26.40%, from Rs. 1,235.92 Lakhs in the fiscal year ended March 31, 2022 to Rs. 909.62 Lakhs in the fiscal year ended March 31, 2023.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. 625.74 Lakhs and 115.99% from Rs. 539.49 Lakhs in the fiscal year ended March 31, 2022 to Rs. 1,165.23 Lakhs in the fiscal year ended March 31, 2023. Employee cost has increased due to increase in head count and salary expenses.

Finance Costs

Finance Costs increased by Rs. 32.18 Lakhs and 80.67% from Rs. 39.89 Lakhs in the fiscal year ended March 31, 2022 to Rs. 72.07 Lakhs in the fiscal year ended March 31, 2023, due to increase in Long term and short term borrowings.

Depreciation and Amortization

Depreciation and Amortization in terms of value and percentage increased Rs11.91 lakh and by 12.96% from Rs. 91.89 Lakhs in the fiscal year ended March 31, 2022 to Rs. 103.80 Lakhs in the fiscal year ended March 31, 2023 mainly due to purchase of vehicle and furniture's & Fixtures.

Other Expenses

Other Expenses in terms of value and percentage increased Rs 440.34 lakh and by 92.35% from Rs. 476.80 Lakhs in the fiscal year ended March 31, 2022 to Rs. 917.14 Lakhs in the fiscal year ended March 31, 2023. Other Expenses have increased mainly due increase Rent, Repairs & maintenance, travelling expenses and Legal and Professional and Rent expenses.

Profit/Loss before exceptional & extraordinary items and Tax

Profit before exceptional & extraordinary items and Tax has increased by Rs. 420.12 Lakhs and 402.42% from Rs. 104.40 Lakhs in the fiscal year ended March 31, 2022 to Rs. 524.52 Lakhs in the fiscal year ended March 31, 2023. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operation and fall in total expenditure as percent of total revenue from 95.80% in fiscal year ended March 31, 2022 to 85.79% in fiscal year ended March 31, 2023.

Net Profit for the year

Net Profit has increased by Rs. 342.63 Lakhs and 736.19% from profit of Rs. 46.54 Lakhs in the fiscal year ended March 31, 2022 to Rs. 389.17 Lakhs in the fiscal year ended March 31, 2023.

(Rs. In Lakhs)

| Particulars | As on June 2023 | As at March 31 | |
|-------------------------------------|--------------------|----------------|----------|
| | | 2023 | 2022 |
| Cash Flow from operating activities | (222.29) | 138.08 | 417.28 |
| Cash Flow from investing activities | (52.58) | (310.01) | (229.48) |
| Cash Flow from financing activities | 266.53 | 186.08 | (189.20) |

Cash Flows from Operating Activities

Net Cash Net Cash Generated from Operating Activities for June 2023 quarter was reported at Rs -222.29 Lakhs, due to increase in receivables and other current assets to the extent of Rs 422.62 Lakhs and Rs 127.31 lakhs respectively.

Net Cash Generated from Operating Activities in financial year 2023 was Rs138.08 lakhs as compared to Rs417.28 lakhs in financial year 2022. This was mainly on account of increase in payable and Profits from operations.

In the financial year 2022, it was Rs417.28 lakhs. This was mainly on account of decrease in receivables and increase in other current liabilities.

Cash Flows from Investment Activities

For June 2023, Net Cash Invested in Investing Activities was Rs. -52.58 lakhs. This was on account of capital expenditure to the extent of Rs 52.58 Lakhs.

In financial year 2023, the Net Cash Invested in Investing Activities was Rs.-310.01 lakhs. This was on account of capital expenditure to the extent of Rs 313.30 Lakhs.

In financial year 2022, the Net Cash Invested in Investing Activities was Rs. -229.48 lakhs. This was mainly on account of increase in capital expenditure to the extent Rs229.43 Lakhs.

Cash Flows from Financing Activities

For the June 2023, Net Cash from Financing Activities was Rs. 266.53 lakhs. This was mainly on account net proceeds from Long Term and short term borrowings to the extent of Rs 213.16 Lakhs and 91.48 Lakhs respectively.

In financial year 2023, the Net Cash from Financing Activities was Rs. 186.08 lakhs. This was mainly on account net proceeds from Long Term and short term borrowings to the extent of Rs65.10 Lakhs and 193.99 Lakhs respectively.

In financial year 2022, the Net Cash from Financing Activities was negative to Rs. 189.20 lakhs. Due repayment of long term borrowings and interest paid to the extent of Rs 125.33 Lakhs and Rs 23.98 Lakhs respectively.

CAPITALISATION STATEMENT

Statement of Capitalization as on June 30, 2023 on standalone basis

| | Pre Issue as at June 30, 2023 | Post Issue* |
|--|----------------------------------|----------------|
| Borrowings | | |
| Short- term | 591.46 | 591.46 |
| Long- term (including current maturities) (A) | 320.79 | 320.79 |
| Total Borrowings (B) | 912.25 | 912.25 |
| Shareholder's fund | | |
| Share capital | 118.40 | [●] |
| Reserve and surplus, as restated | 752.19 | [●] |
| Total Shareholder's fund (C) | 870.59 | [●] |
| Long- term borrowings / equity ratio {(A)/(C)} | 0.36 | [●] |
| Total borrowings / equity ratio {(B)/(C)} | 1.05 | [●] |

**will be updated in the Prospectus*

Statement of Capitalization as on June 30, 2023 on consolidated basis

| | Pre Issue as at June 30, 2023 | Post Issue* |
|--|----------------------------------|----------------|
| Borrowings | | |
| Short- term | 591.46 | 591.46 |
| Long- term (including current maturities) (A) | 320.79 | 320.79 |
| Total Borrowings (B) | 912.25 | 912.25 |
| Shareholder's fund | | |
| Share capital | 118.40 | [●] |
| Reserve and surplus, as restated | 694.90 | [●] |
| Total Shareholder's fund (C) | 813.30 | [●] |
| Long- term borrowings / equity ratio {(A)/(C)} | 0.39 | [●] |
| Total borrowings / equity ratio {(B)/(C)} | 1.12 | [●] |

**will be updated in the Prospectus*

FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on June 30, 2023

(Rs. In lakhs)

| Category of Borrowings | Sanctioned amount as at June 30, 2023 | Outstanding amount as at June 30, 2023 |
|--|--|---|
| Secured Loans | | |
| Fund based facilities | | |
| Term loans | | |
| Axis Bank Limited | 40.00 | 37.16 |
| Kisetsu Saison Finance Limited | 20.00 | 19.14 |
| L&T Financial Services Limited | 50.00 | 47.61 |
| Unity Small Finance Bank Limited | 50.00 | 47.82 |
| Aditya Birla Finance Limited | 35.00 | 34.24 |
| Clix Capital Services Private Limited | 40.00 | 39.44 |
| Hero Fincorp Limited | 40.20 | 39.34 |
| Kotak Mahindra Bank Limited | 40.00 | 38.11 |
| Shriram Finance Limited | 35.00 | 34.44 |
| Vehicle Loan | | |
| Saraswat Bank | 107.00 | 77.06 |
| Working Capital Limits | | |
| Bajaj Finance Bank Limited | 20.98 | 20.98 |
| Duestche Bank Private Limited | 50.00 | 38.70 |
| Fed Bank Financial Services Limited | 19.50 | 4.06 |
| Cash credit | | |
| ICICI Bank Limited | 465.00 | 397.33 |
| Interest Fess loans and advances from related parties | 36.92 | 36.92 |
| Total | 1049.60 | 912.25 |

As certified by Sharad Shah & Company by their certificate dated August 23, 2023

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Based on the various documents relating to various litigations including suits, criminal or civil prosecutions, proceedings or tax liabilities etc., as provided by the issuer, its Directors and other officers, and based on our best efforts and due diligence done by us, we state that except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoter, its Group Companies and its Subsidiary Company and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, default in creation of full security as per terms of issue/other liabilities, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Schedule V to the Companies Act, 2013) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoter, its Directors, its Group Companies and subsidiary Company.

Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoter, its Directors, its Group Companies or its Subsidiary Company, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoter were associated in the past but are no longer associated, in respect of which the name(s) of the Promoter continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoter, its Directors, its Group Companies or its Subsidiary Company from any statutory authority/revenue authority that would have a material adverse effect on the business.

Further, no outstanding details of any other pending material litigation which are determined to be material as per a policy adopted by the Board ("Material Policy"), in each case involving the Company, Promoter, Directors, Group Companies and Subsidiary Company. In its meeting held on 20th July 2023 the Board of Directors of the Company have considered and adopted a policy of materiality for identification of =material litigation involving the Company, and its Directors, Promoter, Group Companies and Subsidiary Company.

In terms of the Materiality Policy, all pending litigation involving the Company, and its Directors, Promoter, Group Companies and Subsidiary Company, other than the criminal proceedings, action by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five Fiscals including outstanding action and tax matters would be considered as 'material 'if:

- a) the monetary amount of claim by or against our Company, Subsidiary, Promoter and Directors in any such pending litigation is individually in excess of 10% of the consolidated net worth of the Company as per the latest period of Restated Consolidated Financial Information or 15% of the consolidated revenue of the Company (whichever is lower) as per the latest annual restated consolidated financial statements of the Company, or
- b) Such pending litigation that is material from the perspective of Company's business operations, financial results, prospectus or reputation irrespective of the amount involved in such litigation.

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Draft offer documents/Offer Document, if amounts due to such creditor exceeds 10% of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Draft offer documents/Offer Document.

Disclosures in the Draft offer documents/Offer Document regarding material creditors

- (i) For creditors identified as ‘material’ based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Draft offer documents/Offer Document along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated financial statements included in the Draft offer documents/Offer Document.
- (ii) For outstanding dues to micro, small and medium enterprises (“MSMEs”), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Draft offer documents/Offer Document in the following manner:
- a) aggregate amounts due to such MSME creditors; and
 - b) aggregate number of such MSME creditors.

As on the date of the latest restated consolidated financial statements included in the Draft offer documents/Offer Document.

- (iii) Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed in the Draft offer documents/Offer Document.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time.

For the purpose of the present undertaking we have only considered litigation in those matters wherein the Company has been made a party to proceedings initiated before any court, tribunal or governmental authority, and notice/ summons have been issued and served upon the Company by any such Court, Tribunal or Governmental Authority.

Except as stated in this section, there are no Outstanding Material Dues to Creditors, or outstanding dues to small scale undertakings and other creditors. Also, unless otherwise stated to the contrary, the information related to the outstanding litigations provided is as of the date of Draft Red Herring Prospectus.

A. LITIGATION INVOLVING DIGIKORE STUDIOS LIMITED (COMPANY):

Litigation against the Company:

- a) Litigation against the company involving Criminal Laws: **NIL**
- b) Material Litigation against the company involving Civil Laws: **NIL**
- c) Case Pending against Tax Authorities –

| Nature of cases | Number of Cases | Amount Involved (in Lakhs) |
|------------------------|------------------------|-----------------------------------|
| Direct Tax | 08 | 26.18 |
| Indirect Tax | 01 | 56.38 |

Assessment Unit of the Income Tax department respectively. The appeals are pending before Tax Authorities.

Litigation by the Company:

- a) Litigation by the company involving Criminal Laws: **NIL**
- b) Material Litigation by the company involving Civil Laws:

| Court | Case No. | Plaintiff | Defendent | Amount | Current Status Next Date of Hearing |
|--|-------------------|--------------------------|-------------|---------------|-------------------------------------|
| Chief Judicial Magistrate, Pune | S.C.C. 17706/2017 | Digikore Studio Pvt. Ltd | Aman Mandal | Rs.1,50,000/- | Unready Board |
| Brief description- The company had given a loan to Driver Aman Mandal of Rs1.6 lakh as requested by him. Subsequently to return the loan he gave cheque which bounced. Against this company filed a case against him u/s 138 of NI Act. | | | | | |

c) Cases pending with Tax Authorities

| Nature of cases | Number of Cases | Amount Involved |
|-----------------|-----------------|-----------------|
| Direct Tax | NIL | NIL |
| Indirect Tax | NIL | NIL |

d) Details of outstanding demand in respect of Income Tax: **NIL**

e) Details of outstanding demand in respect of TDS: Demand as mentioned in below table.

| Sr. No. | Company | Particulars |
|---------|--------------------------|---|
| 1. | Digikore Studios Limited | TDS outstanding demand of Rs. 26,18,580/- |

B. LITIGATIONS RELATING TO THE PROMOTER OF THE COMPANY:

I. Cases filed by the Promoter of the Company: **NIL**

II. Cases filed against the Promoter of the Company: Mr. Abhishek More

| Court | Case No. | Plaintiff | Defendent | Amount Involved | Current Status Next Date of Hearing |
|--|------------------------|---|------------------------------------|-----------------|-------------------------------------|
| Civil Court Senior Division, Pune | Civil M.A./2205/2022 | Narendra Ramprakash Podar | Abhishek Rameshkumar More | Nil | Filing of Affidavit |
| Brief Description - | | | | | |
| This matter pertain to letter of administration for the will of Late Mrs. Umadevi More Mother of Mr Abhishek More | | | | | |
| Civil Court Senior Division, Pune | Commercial Suit/8/2021 | M/s Corporate Culture through Atul Ranjan | Abhishek Rameshkumar More & Others | Nil | Argument |
| Brief Description - | | | | | |
| Abhishek More was a member of an organization called Round Table India. The case pertains to an event organized by Round Table India wherein there was a dispute with the event manager with regards to some expenses related to the event. The event organizer filed a case on Round Table India and made Abhishek More and some other members a party to the case. Abhishek More is no longer a member of Round Table India and in all practical purposes the case is against Round Table India. If there is an unfavorable outcome in this case, Round Table India will be liable to make any payments. Legal fees for this case are being paid by Round Table India. | | | | | |

III. Case Pending with Tax Authorities – Mr. Abhishek Rameshkumar More

| A.Y. | Section | Outstanding demand Amount |
|---------|---------|---------------------------|
| 2020-21 | 57 | Rs. 1,47,556/- |

Promoter has filed appeal on 21st October, 2022, to the Commissioner of Income Tax (Appeals) against addition made in the income of FY 2020-21 by Assessment Officer.

C. LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTER OF THE COMPANY

- a) Cases filed against the Directors – **NIL**
- b) Cases filed by the Directors - **NIL**
- c) Case Pending with Tax Authorities -**NIL**
- d) Details of outstanding demand in respect of TDS- **NIL**
- e) Detail of cases pending with GST authority–**NIL**

D. LITIGATIONS RELATING TO THE GROUP ENTITY

- a) Cases Filed against the Group Entity

| Court | Case Number | Plaintiff | Defendant | Amount Involved | Current Status Next Date of Hearing |
|------------------------|--------------|------------------|------------------------|-----------------|---|
| Solapur District court | SCS/177/2017 | Laxmi Hydraulics | Growel Softech Pvt Ltd | Rs. 27,00,000/- | Next Date 20 Sept 2023. |

Brief Description -

Growel Softech Pvt Ltd. had supplied software to the plaintiff against which the plaintiff has filed a suite against the company for specific performance of the contract.

- b) Cases Filed by the Subsidiary Company/Entity- **NIL**
- c) Case Pending with Tax Authorities- **NIL**
- d) Details of outstanding demand in respect of TDS - **NIL**
- e) Detail of cases pending with GST authority of Growel Softech Pvt Ltd – Payment of Interest u/s 50 for delayed filings;- **Rs. 32.20 Lakhs.**
- f) Case Pending with Tax Authorities as Details of outstanding tax demand and Outstanding TDS as follows:

| Sr. No. | Company/LLP Name | Particulars |
|---------|----------------------------|---|
| 1 | Digikore Design LLP | Income tax demand of Rs. 65,680/- outstanding |
| 2 | Waluj Beverages LLP | Income tax demand of Rs. 7,340/- outstanding |
| 3 | Gorav Investment Pvt. Ltd. | Income tax demand of Rs. 60,040/- outstanding |
| 4 | Growel Softech Pvt Ltd | TDS outstanding demand of Rs. 5,80,080/- |
| 5 | Conchact Mobile LLP | TDS outstanding demand of Rs. 49,800/- |
| 6 | Digikore Design LLP | TDS outstanding demand of Rs. 9,960/- |

E. LITIGATIONS RELATING TO THE DIRECTORS OF SUBSIDIARY COMPANY/ENTITY

- a) Cases filed against the Directors of Subsidiary Company/Entity-**NIL**
- b) Cases filed by the Directors of Subsidiary Company/ Entity -**NIL**
- c) Detail of cases pending with GST authority – **NIL**

Vide certificate dated August 23, 2023 from Mr. Naresh Kamdar, Legal Advisor of the Company

F. OUTSTANDING DUES TO CREDITORS

Our Board has, pursuant to its resolution dated July 20, 2023 approved that all creditors of our Company to whom the amount due by our Company exceeds 10% of the total consolidated trade payables of our Company as on latest restated financial statement of our Company shall be considered "material" creditors of our Company

The outstanding dues owed to small scale undertakings and such other material creditors, separately, giving details of number of cases and amounts for all such dues for June 30, 2023 is set out below:

| Particulars | Number of cases | Amount Outstanding (Rs. in Lakhs) |
|-------------------------------------|-----------------|-----------------------------------|
| Material Dues to Creditors | - | - |
| Outstanding dues to MSMEs | - | - |
| Outstanding dues to other creditors | 74 | 278.47 |

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

Except as disclosed elsewhere in restated financial statements of the Company, there have been no material developments that have occurred after the last Balance Sheet Date duly signed by the Board of Directors.

MATERIAL DEVELOPMENTS

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 167 of this Draft Red Herring Prospectus, no material developments have taken place since the date of the last audited balance sheet, that would materially adversely affect the performance of Prospectus of the Company. In accordance with SEBI requirements, our Company and the Book Running Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Emerge Platform of NSE.

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against our Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of our Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoter, Companies and firms promoted by the Promoter.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoter s/ Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoter are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.

The Company, its Promoters and other Companies in which Directors, Promoters are interested has not been declared as wilful defaulters.

GOVERNMENT AND OTHER STATUTORY APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals which have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For further details, in connection with the applicable regulatory and legal framework, kindly refer “Key Industry Regulation and Policies” on page 99 of this Draft Red Herring Prospectus.

Approvals in Relation to the Issue

Corporate Approvals

- 1) Our Board has, pursuant to a resolution passed at its meeting held on July 20, 2023 authorized the Issue.
- 2) Our shareholders have pursuant to a resolution passed at their meeting July 21, 2023 under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.

Approvals from Lenders

As on date of this Draft Red Herring Prospectus the Company is in the process of obtaining No Objection Certificate for the proposed Initial Public Offer from few of their lenders i.e Bajaj Finance Limited, Axis Bank Limited, Clix Capital Services Private Limited, Hero Fincorp Limited, Aditya Birla Finance Limited. For further details please refer Risk Factor beginning on Page 21 of this Draft Red Herring Prospectus.

Incorporation Details

- 1) Corporate Identity Number: U92112PN2000PLC157681
- 2) Certificate of Incorporation dated July 25, 2000 issued by the Registrar of Companies, Pune, in the name of “Digikore Studios Private Limited”.
- 3) Fresh Certificate of Incorporation dated January 16, 2002 issued by the Registrar of Companies, Mumbai in the name of Digikore Studios Limited, pursuant to conversion from private to public company.
- 4) Fresh Certificate of Incorporation dated November 01, 2013 issued by Registrar of Companies, Mumbai in the name of Digikore Studios Private Limited, pursuant to conversion from public to private company.
- 5) Fresh Certificate of Incorporation dated May 22, 2023 issued by Registrar of Companies, Pune in the name of Digikore Studios Limited, pursuant to conversion from private to public company.

Approvals/ Licenses in relation to the Business of our Company

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Under Direct and Indirect Tax Laws

- 1) Permanent Account Number: AABCD2098R
- 2) Tax Identification Number: PNED01682C
- 3) Goods and Services Tax (Maharashtra): 27AABCD2098R1Z1

Under Industrial and Labour Law

- 1) Registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act,1975: Form I-A: Certificate of Enrolment Number: 27040318571P

- 2) Registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act,1975: Form II-A: Certificate of Enrolment Number: 99913982971P
- 3) Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended, our Company has been allotted establishment number: PUPUN0301456000
- 4) Under the provisions of the Employees State Insurance Act, 1948, as amended, our Company has been allotted code number: 33000159210000604


Other Registration and Certificates of the Company

- 1) Legal Entity Identifier Code issued by Legal Entity Identifier India Limited: 335800I6B4J4SYBD7N73
- 2) Udyog Aadhar Registration Certificate: MH26E0038556
- 3) Udyam Registration Number-UDYAM-MH-26-0058218
- 4) Importer-Exporter Code issued by the Department of Commerce, Ministry of Commerce & Industry, Government of India-IEC:3100005082
- 5) Shop and Establishment License for Corporate Office, Registration Number: 2331000317685641
- 6) Shop and Establishment License for Registered Office, Registration Number: 2331000317669553
- 7) Certificate of Registration issued by Pimpri Chinchwad Municipal Corporation, Pimpri as Local Body Tax Department having Registration Number: PCMC-LBT-0019786

Key approvals applied by our Company but not received

There are no pending approvals or licenses which company has applied for or are yet to apply w.r.t. to the business of the Company.

Intellectual Property

| Sr. No. | Logo | Type of Trademark | Country | Date of Application/Approval Date | Application No. | Class | Current Status |
|---------|---|-------------------|---------|-----------------------------------|-----------------|-------|----------------------|
| 1. | DIGIKORE | Name | India | 11 June 2021 | 5002092 | 41 | Registered |
| 2. |  | Logo | India | 22 May 2023 | 5947674 | 41 | Formalities Chk Pass |

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution passed by our Board of Directors at its meeting held on July 20, 2023 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on July 21, 2023.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The Companies with which our Promoter, our Directors or persons in control of our Company are/ were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. Also, there has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors in the past five years.

Neither of our Promoter nor any of our Directors is declared as Fugitive Economic Offender.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter, promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (SBO Rules), and the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, to the extent they are applicable on our Company, as on the date of filing of this Draft Red Herring Prospectus.

Prohibition by RBI

Neither our Company, nor our Promoter, or the relatives (as defined under the Companies Act) of our Promoter or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

Eligibility for this Offer

We are an issuer whose post issue paid-up capital will be less than ₹10.00 Crores and therefore, our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder;

1) The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 1956.

2) The post issue paid-up capital of the company (face value) shall not be more than ₹25.00 Crores.

The present paid-up capital of our Company is ₹5.07 crores and we are proposing Fresh issue of 12,60,800 Equity Shares of ₹10.00 each at Offer price of ₹[●] per Equity Share including share premium of ₹[●] per Equity Share, aggregating to ₹[●] Lakhs. Hence, our Post Issue Paid up Capital will be ₹6.33 crores which is less than ₹25.00 Crore.

3) Track Record

A. The company should have a track record of at least 3 years

Our Company was incorporated on July 25, 2000, under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Pune. Therefore, we are in compliance with criteria of having track record of 3 years.

B. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated standalone Financial Statement.

(₹ in Lakhs)

| Particulars | For the period ended March 31, 2023 | For the period ended March 31, 2022 | For the period ended March 31, 2021 |
|---|--|--|--|
| Operating Profit (earnings before interest, depreciation and tax) from operations | 636.23 | 235.97 | (26.67) |
| Net Worth as per Restated Financial Statement | 590.94 | 153.48 | 106.94 |

4) Other Requirements

We confirm that:

- The applicant company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies
- The company has not received any winding up petition admitted by a NCLT / Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- The Company has a website: www.digikorevfx.com

5) Disclosures

We confirm that

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Company
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

Our Company is complying with the eligibility criteria as mentioned under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957. Further, our Company is also eligible for the Issue in terms of Regulation 229(1) of chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer shall be eligible to make an initial public offer only if its post-issue paid-up capital is more than ten crore rupees and up to twenty-five crore rupees, may issue shares to the public in accordance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018. Our Company also complies with the eligibility conditions laid by the NSE SME Platform for listing of our Equity Shares.

We confirm that:

- a) In accordance with regulation 260 of the SEBI ICDR Regulations, 2018, this Offer is 100.00% underwritten and that the [●] has underwritten [●] of the total Offer size. For further details, pertaining to underwriting please refer to chapter titled “General Information” beginning on page 40 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed u/s 40 of the Companies Act, 2013.
- c) In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have filed the Offer Document with SEBI and SEBI will not issue any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI ICDR Regulations, 2018, the Book Running Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Offer. We have signed Market Making Agreement dated [●] with [●]. For further details of the market making arrangement see chapter titled “General Information” beginning on page 40 of this Draft Red Herring Prospectus.
- e) We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, 2018 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS OFFER 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, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. **THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS MATERIAL TO THE OFFER;**
 - B. **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE OFFER AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. **THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE, SUCH REGISTRATION IS VALID.**
4. **WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
6. **WE CERTIFY THAT ALL THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**
7. **WE UNDERTAKE THAT CLAUSE (D) OF SUB-REGULATION (2) OF REGULATION 236 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN PUBLIC OFFER ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE**
8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK**

ACCOUNT IN A SCHEDULED BANK AS PER THE PROVISIONS OF SUB-SECTION 3 OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE EXISTING ACTIVITIES AND ACTIVITIES WHICH HAVE BEEN CARRIED OUT IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
11. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.
12. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTER AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.
13. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 OR Section 38(1) of 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 Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Delhi, in terms of Section 26 and 33 of the Companies Act, 2013.

Disclaimer Statement from our Company 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 instance of our Company and anyone placing reliance on any other source of information, including our website www.digikorevfx.com would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Offer Management entered into among the Book Running Lead Manager and our Company dated [●] the Underwriting Agreement dated [●] entered into among the Underwriter and our Company and the Market Making Agreement dated [●] entered among the Market Maker, Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available 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 collection centres, *etc.*

Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter 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 offer, 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 and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Price Information and the Track Record of the Past Issues handled by the Book Running Lead Manager

For details regarding the price information and the track record of the past Issues handled by the Book Running Lead Manager to the Offer as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to the section “*Disclosure of price information of latest ten issues handled by Sarthi Capital Advisors Private Limited*” in the chapter titled “*Other Regulatory and Statutory Disclosures*” on page no. 220 of this Draft Red Herring Prospectus and the website of the Book Running Lead Manager at www.sarthi.in.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, Public Financial Institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, State Industrial Development Corporations, Insurance Companies registered with Insurance Regulatory and Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, Multilateral and Bilateral Development Financial Institutions, FVCIs and Eligible Foreign Investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Draft Red Herring Prospectus, will be included in the Red Herring Prospectus/Prospectus prior to filing with the Stock Exchange.

Filing

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the offer document shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the offer document in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the offer document will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be filed with Registrar of Companies, Pune.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15.00% per annum for the delayed period.

Consents

Consents in writing of: (a) the Promoters, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor and Peer Reviewed Auditor, the Banker to the Company and lenders, if any and (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Offer, Banker(s) to the Offer, Legal Advisor to the Offer, Lenders, to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus with NSE.

Expert to the Offer

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

Report of the Statutory Auditor and Peer Review Auditor on Restated Financial Statement and on Statement of Tax Benefits.

Expenses of the Offer

The expenses of this Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Offer, see the chapter “Objects of the Offer” beginning on page 60 of this Draft Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter dated June 01, 2023 issued by Book Running Lead Manager to our Company, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Agreement signed by our Company and the Registrar dated August 21, 2023, a copy of which is available for inspection at our Registered Office. The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Offer to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letter.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Previous Rights and Public Offers during the last Five Years

We have not made any previous rights and/or public Offer during the last five years and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018 and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018.

Previous issues of Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 50 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares.

Particulars in regard to our Company and other Listed Companies under the same management within the meaning of section 186 of Companies Act, 2013 which made any Capital Issue during the last Three Years

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the companies have raised any capital during the past 3 years.

Promise versus Performance for our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, 2018, and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, 2018. Further, our subsidiaries are not i.e. the data regarding promise versus performance is not applicable to us.

Outstanding Debentures, Bonds, Redeemable Preference Shares and other Instruments issued by our Company

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, 2018, and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

Disclosure of Price Information of latest Ten Issues handled by Sarthi Capital Advisors Private Limited

TABLE 1

| Financial year | Total no. of IPOs | Total funds raised (Rs. in Crores) | No. of IPOs trading at discount – 30 th calendar days from listing | | | No. of IPOs trading at premium – 30 th calendar days from listing | | | No. of IPOs trading at discount – 180 th calendar day from listing | | | No. of IPOs trading at premium – 180 th calendar day from listing | | |
|----------------|-------------------|------------------------------------|---|----------------|---------------|--|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 12-13 | 1 | 12.21 | - | - | - | - | - | 1 | - | - | - | - | 1 | - |
| 13-14 | 4 | 34.39 | - | - | 2 | 1 | - | 1 | - | - | 2 | - | 1 | 1 |
| 14-15 | 4 | 13.65 | - | - | 2 | - | - | 2 | - | 1 | - | 1 | - | 2 |
| 15-16 | 7 | 47.48 | - | - | 4 | 1 | - | 2 | - | - | 2 | 2 | - | 3 |
| 16-17 | 6 | 37.94 | - | 1 | 1 | 2 | - | 2 | - | 2 | 2 | 1 | 1 | - |
| 17-18 | 17 | 279.36 | - | 1 | 8 | 2 | 1 | 3 | - | 2 | 6 | 2 | 2 | 3 |
| 18-19 | 3 | 67.32 | - | - | 2 | - | - | 1 | - | 1 | - | - | - | 1 |
| 20-21 | 1 | 10.52 | - | - | 1 | - | - | - | - | - | - | - | - | 1 |
| 21-22 | 1 | 4.40 | - | - | - | 1 | - | - | - | - | - | 1 | - | - |
| 22-23 | 4 | 194.17 | - | - | 1 | 1 | 1 | - | - | - | 1 | - | - | - |

TABLE 2

| Sr. No. | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing Benchmark]- 30 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 90 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 180 th calendar day from listing |
|---------|--------------------------------------|-----------------|-------------------|--------------------|-------------------------------|--|--|---|
| 1. | Marvel Décor Limited | 26.26 | 47.00 | March 23, 2018 | 57.75 | -2.33[8.76] | -3.28[4.73] | -1.04[-6.12] |
| 2. | Mittal Life Style Limited | 4.41 | 21.00 | April 02, 2018 | 21.00 | 1.19[5.73] | 8.10[0.70] | 7.14[-7.90] |
| 3. | Five Core Electronics Limited* | 46.66 | 140.00 | May 21, 2018 | 141.00 | -12.71[-2.55] | - | - |
| 4. | Marshall Machines Limited | 16.25 | 42.00 | September 07, 2018 | 37.45 | -3.31[-5.35] | -18.58[-2.54] | -28.75[-4.69] |
| 5. | Bonlon Industries Limited | 10.52 | 28.00 | July 13, 2020 | 21.00 | 17.44[3.23] | -23.26[10.63] | 16.28[34.27] |
| 6. | Vivo Collaboration Solutions Limited | 4.40 | 82.00 | December 31, 2021 | 355.10 | 19.53[0.81] | -53.82[21.65] | -55.27[16.54] |

| Sr. No. | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing Benchmark]- 30 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 90 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 180 th calendar day from listing |
|---------|------------------------------------|-----------------|-------------------|------------------|-------------------------------|--|--|---|
| 7. | P. E. Analytics Limited | 31.60 | 114.00 | April 04, 2022 | 170.00 | -2.07 [-0.80] | -13.62[-7.64] | -6.53 [15.42] |
| 8. | Frog Cellsat Limited | 41.57 | 102.00 | October 13, 2022 | 177.00 | 19.11 [7.73] | 24.17[5.37] | -1.99 [10.78] |
| 9. | Homesfy Realty Limited | 15.86 | 197.00 | January 02, 2023 | 275.05 | 78.27 [-3.19] | 45.15 [-4.39] | 49.71[6.18] |
| 10. | Spectrum Talent Management Limited | 105.14 | 173.00 | June 22, 2023 | 155.00 | -2.92 [4.80] | - | |

*Trading in Equity Shares of the Company has been suspended in accordance with the NSE Circular dated June 18, 2019 vide reference no. NSE/CML/41337.

Sources: All share price data is from www.bseindia.com / www.nseindia.com

Note:-

1. The BSE Sensex/ Nifty is considered as the Benchmark Index.
2. Price on BSE/ NSE is considered for all of the above calculations.
3. In case 30th/90th/180th day is not a trading day (trading holiday), closing price on BSE/ NSE of the next trading day has been considered.
4. In case 30th/90th/180th day if there is no trade then the closing price of the next day when trading has taken place has been considered.

Mechanism for redressal of Investor Grievances

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit to enable the investors to approach the Registrar to this Offer for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, UPI ID linked bank account number in which amount is blocked and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 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.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on July 20, 2023. For further details, please refer to the chapter titled “Our Management” beginning on page 110 of this Draft Red Herring Prospectus.

Our Company has appointed Mrs. Heny Pahuja as the Company Secretary and Compliance Officer and he may be contacted at the following address:

Digikore Studios Limited

C/o Poona Bottling Company Private Limited.,
410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012

Tel. No.: 020-35553555

E-mail: cs@digikore.com

Website: www.digikorevfx.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

SECTION VIII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the abridged prospectus, any addendum/ corrigendum thereto, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the offer. The Equity Shares shall also be subject to all applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, RoC, RBI and/or other authorities, as in force on the date of the offer and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public offers by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholder in the manner specified in "Objects of the Offer" beginning on page 60.

Ranking of the Equity Shares

The Equity Shares being offered, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. See "Main Provisions of the Articles of Association" beginning on page 262.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "Dividend Policy" and "Main Provisions of the Articles of Association" beginning on pages 130 and 262, respectively.

Face Value, Offer Price, Floor Price and Price Band

The Face Value of each Equity Share is ₹10.00 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹[●] per Equity Share ("Cap Price"). The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and Selling Shareholder in consultation with the BRLM and advertised in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, each with wide circulation and all editions of [●], a regional newspaper, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. 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 on the websites of the Stock Exchange. The Offer Price shall be determined by our Company

and Selling Shareholder in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Articles of Association and other applicable laws.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to the section titled "Main Provisions of Articles of Association" beginning on page 262 of this Draft Red Herring Prospectus.

Minimum Application Value, Allotment of Equity Shares in Dematerialized Form, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹1,00,000 (Rupees One Lakh) per application.

As per the provisions of the Depositories Act, 1996 & Regulations made thereunder and Section 29(1) of the Companies Act, 2013, the Equity Shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this offer will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, 2018, the minimum number of allottees in this offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this offer and all the monies blocked by SCSBs shall be unblocked within 4 working days of closure of offer.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. 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. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 90 days, our Board may thereafter withhold payment of all dividends, interests, 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 Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Fresh Issue, after the offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the offer. The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicant and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this offer 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 (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with the Book Running Lead Manager withdraw the offer after the offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

Bid/Offer Programme

| | |
|----------------------------|--------------------|
| BID/OFFER OPENS ON | [●] ⁽¹⁾ |
| BID/OFFER CLOSES ON | [●] ⁽²⁾ |

⁽¹⁾ Our Company and selling shareholder may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company and selling shareholder may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is disclosed below:

| Event | Indicative Date |
|--|-----------------|
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account* | On or about [●] |
| Credit of Equity Shares to dematerialized accounts of Allottees | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [●] |

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The SEBI is in the process of streamlining and reducing the post offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (Other than Bids from Anchor Investors)

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|---|--|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) |
| Bid/Offer Closing Date | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

On the Bid/Offer 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 the Bid/Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any 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/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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 shall not be less than the face value of the Equity Shares.

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

Minimum Subscription

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, 2018 our offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above ₹25.00 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter

shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of our company is more than ₹10.00 crores and the capitalization of our equity is more than ₹25.00 crores and our company have been listed on SME Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

AND

- c) Such other conditions as may be prescribed by the Exchange.

Market Making

The shares offered through this issue are proposed to be listed on the EMERGE Platform of NSE wherein the Book Running Lead Manager to the offer shall ensure compulsory Market Making through registered Market Makers of the National Stock Exchange of India Limited for a minimum period of three years from the date of listing of shares offered through this Draft Red Herring Prospectus. For further details of the Market Making arrangement see chapter titled “General Information - Details of the Market Making Arrangements for this offer” beginning on page 40 of this Draft Red Herring Prospectus.

Restrictions, if any, on Transfer and Transmission of Shares and on their Consolidation or Splitting

Except for lock-in of the pre-issue Equity Shares and Promoter’s minimum contribution as detailed in chapter titled “Capital Structure” beginning on page 50 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section “Main Provisions of the Articles of Association” beginning on page 262 of this Draft Red Herring Prospectus.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] 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 SEBI (ICDR) Regulations, 2018, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE Platform.

Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO.

However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment. However, as per Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, no transfer of equity shares shall take place if the same are not in dematerialized form.

Further it is mandatory for the investor to furnish the details of his/her depository account, & if for any reasons details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

New Financial Instruments

There are no new financial instruments such as deep discount bonds, debentures with warrants, secured premium notes, etc. issued by our Company.

Jurisdiction

Exclusive jurisdiction for the purpose of this offer is with the competent courts / authorities in Pune, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

OFFER STRUCTURE

Initial public offering of 17,82,400 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] lakhs, comprising a Fresh Issue of 12,60,800 Equity Shares aggregating up to ₹[●] lakhs by our Company and an Offer for Sale of 5,21,600 Equity Shares aggregating up to ₹[●] lakhs by the Selling Shareholder. The Offer will constitute 28.15% of the post – Offer paid-up share capital of our Company.

The offer is being made by way of Book Building Process

| Particulars | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders | Market Maker |
|--|--|---|---|-------------------------|
| Number of Equity Shares available for Allotment/allocation ^{*(2)} | [●] Equity Shares | [●] Equity Shares | [●] Equity Shares | [●] Equity Shares |
| Percentage of Offer Size available for Allotment/allocation | Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only | Not less than 15.00% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation | Not less than 35.00% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation | [●] % of the Offer Size |
| Basis of Allotment/allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled "Offer Procedure" beginning on page 240 of the Draft Red Herring Prospectus | Proportionate | Allotment 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 allotted on a proportionate basis. For details see, "Offer Procedure" on page 240. | Firm Allotment |
| Mode of Bidding | ASBA Process only (excluding Anchor Investors) | ASBA Process only | ASBA only (including the UPI Mechanism) | ASBA Process Only |
| Minimum Bid | Such number of Equity Shares in multiples of [●] Equity Shares that the Application size exceeds ₹2,00,000 | Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds ₹2,00,000 | [●] Equity Shares | [●] Equity Shares |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the | Such number of Equity Shares in multiples of [●] Equity Shares not | Such number of Equity Shares in multiples of [●] Equity Shares so that | [●] Equity Shares |

| Particulars | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders | Market Maker |
|-------------------|--|--|--|--|
| | offer, subject to limits as applicable to the Bidder | exceeding the size of the offer, subject to limits as applicable to the Bidder | the Bid Amount does not exceed ₹2,00,000 | |
| Trading Lot | [●] Equity Shares | | | [●] Equity Shares. However, the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Mode of Allotment | Compulsorily in Dematerialized Mode | | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | | |
| Allotment Lot | A minimum of [●] Equity Shares and thereafter in multiples [●] Equity Share | | | |
| Trading Lot | [●] Equity Shares and in multiples [●] Equity Share | | | |
| Mode of Allotment | Compulsorily in dematerialized form | | | |
| 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. 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 (for RIIs), that is specified in the ASBA Form at the time of submission of the ASBA Form. | | | |

* Assuming full subscription in the Offer

⁽¹⁾ Our Company and Selling Shareholder may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion 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. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Offer Procedure" on page 240

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 253 of the SEBI ICDR Regulations.

⁽³⁾ Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. 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. For further details, please see "Terms of the Offer" on page 231

⁽⁴⁾ Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Withdrawal of the Offer

Our Company, in consultation with the BRLM, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and shall promptly inform the Stock Exchange on which the Equity Shares are proposed to be listed. The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company, in consultation with the BRLM withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock exchange. Notwithstanding the foregoing, this Offer 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 six Working Days of the Bid/Offer Closing Date or such other period as per applicable law; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

OFFER PROCEDURE

All Bidders should read 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 (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 which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all 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 Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint 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 vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, which came into effect from May 01, 2021 had put in place measures to have a uniform policy to further streamline the processing of ASBA applications through UPI process among intermediaries/SCSBs and also provided a mechanism of compensation to investors.

However, in view of the representations received from stakeholders, SEBI vide Circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 given some relaxation for the implementation timelines for the provisions of “the circular” which are as under:

- SMS Alerts: Para 9 of “the circular” prescribed the details to be sent by SCSB’s in SMS alerts. While SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc shall be included in SMS for Public Issues opening on/after January 01, 2022.
- Web Portal for CUG: For ease of doing business, Para 10 of “the circular” prescribed a web portal to be hosted by Sponsor Banks for closed user group (hereinafter referred to as “CUG”) entities. In view of the

representations received from the stakeholders, it has been decided that:

- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
 - In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details prescribed in Para 10 of “the circular” to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB’s etc, the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
 - The Stock Exchanges and Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- Completion of Unblocks by T+4: Para 13 of “the circular” prescribed the process and timeline for ensuring the completion of unblocks pertaining to UPI mandates on T+4 (T: Issue Closing Date). while the process of unblocking shall be completed by T+4, in view of the representations received from stakeholders, the following shall be the revised timelines:
- Completion of Unblocks by T+4: Para 13 of “the circular” prescribed the process and timeline for ensuring the completion of unblocks pertaining to UPI mandates on T+4 (T: Issue Closing Date). while the process of unblocking shall be completed by T+4, in view of the representations received from stakeholders, the following shall be the revised timelines:
 - The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
 - Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1.
 - To ensure that the unblocking is completed on T+4, the Lead Managers, on a continuous basis and before the opening of the public issue shall take up the matter with the SCSB’s at appropriate level.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is upto ₹5.00 Lakhs shall use UPI.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 (four) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus. Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Our Company and the BRLM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholder may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion 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. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the 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 Offer Price. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors 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 DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using 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. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism 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 ASBA) for applications by RIBs 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 the UPI Mechanism in three phases in the following manner:

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 till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become 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 no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues

to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Circular, 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 Circular 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 in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual 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.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

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 the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIB Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA

Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

| Category | Color 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 Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | [●] |
| Anchor Investors | [●] |

*Excluding electronic Bid cum Application Form

Notes:

- 1) Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com).
- 2) Bid cum Application Forms for Anchor Investors will be made available at the office of BRLM.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchange. For RIBs using 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 UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For RIBs using 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 UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date (“Cut-Off Time”). Accordingly, RIBs 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 NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analyzing the same and fixing liability.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the on-line 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 on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer 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 Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made 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/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/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such 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 concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% 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 NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, 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 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "Restrictions on Foreign Ownership of Indian Securities" beginning on page 260. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 01, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100.00% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. 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 reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i) such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilize the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilize the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with 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.

Bids by SEBI-registered AIFs, VCFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and

Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors 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.

The Company or the BRLM 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 this, our Company, in consultation with the BRLM, reserve 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 this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, 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, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not

exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “Key Industry Regulations and Policies” beginning on page 99.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

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, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- (a) equity shares of a company: the lower of 10.00%* of the outstanding equity shares (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15.00% of the respective fund in case of a life insurer or 15.00% of investment assets in case of a general insurer or reinsurer or 15.00% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15.00% of the fund of a life insurer or a general insurer or a reinsurer or 15.00% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹25,000,000 lakhs or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹5,000,000 lakhs or more but less than ₹25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 lakhs, a certified copy of a 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, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 lakhs, 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, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹200 lakhs. A Bid cannot be submitted for over 60.00% 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 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- 5) Our Company, in consultation with the BRLM will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹200.00 lakhs;
 - b) 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 lakhs, subject to a minimum Allotment of ₹100.00 lakhs per Anchor Investor; and
 - c) in case of allocation above ₹2,500 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 lakhs, and an additional 10 Anchor Investors for every additional ₹2,500 lakhs, subject to minimum allotment of ₹100 lakhs per Anchor Investor.

- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the BRLM or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM shall apply under the Anchor Investors category.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

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 Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. 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 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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 RIBs submitting their Bids and participating in the Offer 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;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, 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 investors 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 applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) 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 www.sebi.gov.in); and
27. 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. 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;
17. Do not Bid 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);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. 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 a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. Do not Bid if you are an OCB; and
27. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “General Information” and “Our Management” beginning on pages 40 and 110, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “General Information” beginning on page 40

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe 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 ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs 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. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids 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. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and

14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” beginning on page 40

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs 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 circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Basis of Allotment

Allotment will be made in consultation NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted [●] equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

Basis of Allotment in the event of under subscription

In the event of under subscription in the offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the offer. There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialized Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the offer on July 21, 2023.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the offer on July 12, 2023.

The Company's Equity shares bear an ISIN No. INEQJ901011

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN 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. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: [●] (English) (All Editions), [●] (Hindi) (All Editions) and [●] (Marathi) Regional language .

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Underwriter have entered into an Underwriting agreement on [●].
- (b) The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10.00 Lakhs or 1.00% 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 ₹10lakhs 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 ₹5 million or with both.

Undertakings by Our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid 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;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- 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;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Exchange.

Undertakings by the Selling Shareholder

The Selling Shareholder undertake the following:

- It the legal and beneficial owner of the respective Equity Shares offered by it in the Offer for Sale;
- The respective Equity Shares offered by it in the Offer for Sale are free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law;
- It has authorized our Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Equity Shares offered by it in the Offer for Sale;
- It shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchange;
- It shall comply with all applicable laws, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI and the RBI, each in relation to the respective Equity Shares offered by it in the Offer for Sale to the extent that such compliance is the obligation of such Selling Shareholder; and
- It shall provide reasonable assistance to our Company and the BRLM to ensure that the Equity Shares offered by it in the Offer shall be transferred to the successful Bidders within the specified time period under applicable law.

Utilization of Offer Proceeds

Our Board certifies that:

- all monies received out of the Fresh 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, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer 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 Fresh 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.

RESTRICTION 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 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular of 2017 with effect from August 28, 2017 ("Circular of 2017"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, this circular of 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the the RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and such other conditions as provided in the FDI Policy from time to time. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

Investment Conditions/Restrictions for Overseas Entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

1) Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall be less than 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this aggregate limit of 24% may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

2) Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or

convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10.00% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24.00% of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24.00% will be called aggregate limit. However, the aggregate limit of 24.00% may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24.00% or enhanced limit.

3) Investment by NRI on repatriation and non-repatriation basis under PIS:

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on repatriation basis, does not exceed 5% of the paid-up value of shares issued by the company concerned;
- the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5% of the paid-up value of each series of convertible debentures issued by the company concerned;
- the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10% of the paid-up capital of the company and in the case of purchase of convertible debentures.
- the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10% of the paid-up value of each series of convertible debentures;

However, the aggregate ceiling of 10% may be raised to 24.00% if a special resolution to that effect is passed by the General Body of the Indian company concerned.

4) Investment by NRI on non-repatriation basis:

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However, the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction The above information is given for the benefit of the Applicants. Our Company and the LM 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. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION IX- MAIN PROVISION OF ARTICLE OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulation, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each Provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Share Capital and Variation of Rights

1. The authorized share capital of the Company shall be such amount and be divided into such shares, as may be provided from time to time under 5th clause of the Memorandum of Association of the Company with the power of increase or reduce the share capital and to divide the share in the capital for the time being into several classes, and to attach thereto respectively and preferential, qualified or special rights, privileges and conditions as may be determined by or in accordance with the provisions of the Act, for the time being in force and the regulations of the company and to vary, modify or abrogate such rights.
2. 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.
3. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within 15 days after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such amount as may be decided by the Board, not exceeding twenty rupees for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a director and the company secretary, wherever the company has appointed a company secretary:
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
4. (i) If any share certificate be worn out, defaced, mutilated, lost, destroyed or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given within a period of one month from the date of submission of complete documents. Every certificate under this Article shall be issued on payment of such amount as may be decided by the Board, not exceeding twenty rupees for each certificate.
- (ii) The provisions of Articles (7) and (8) shall mutatis mutandis apply to debentures of the Company.
5. Except as required by law, no person shall be recognised 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 recognise (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.
6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be

paid shall be disclosed in the manner required by that section and rules made thereunder.

- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
7. 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 section 48, 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.
- 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.
8. 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.
9. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

10. The company shall have a first and par amount 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.
- 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.
11. 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.
12. (i) To give effect to any such sale, the Board may authorise 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.

13. (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.

Calls On Shares

14. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
15. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

17. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

18. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

19. The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of Shares

20. (a) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and the transferee.

- (b) The transferors will be deemed to be the sole owner of the share until the transferee's name is entered in the register of members.

21. The Board may, subject to the right of appeal conferred by section 58 decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

- (b) any transfer of shares on which the company has a lien.
22. The Board may decline to recognise any instrument of transfer unless—
- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) The instrument of transfer is in respect of only one class of shares.
23. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.

Save as otherwise provided in 66(1) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

Transmission Of Shares

24. (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 recognised 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.
25. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence and indemnity being produced and on payment of such fee and expenses 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.
26. (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.

27. 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

28. 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.
29. 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.
30. 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.
31. (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.
32. (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.
33. (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 favour 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.
- (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.
34. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and

notified.

Alteration Of Capital

35. 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.
36. Subject to the provisions of section 61, 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.
37. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any securities premium account.

Capitalisation Of Profits

39. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members

respectively;

- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-Back Of Shares

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General Meetings

42. A general meeting of the Company, which shall be styled, as the Annual General Meeting shall be held at the intervals and in accordance with the provisions, hereinafter appearing. The First Annual General Meeting of the Company shall be held within nine months from the date of closing of the first financial year of the Company and the subsequent Annual General Meetings of the Company shall be held within six months after the expiry of each financial year and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Every Annual Meeting shall be called during business hours, that is, between 9.00 a.m. and 6.00 p.m. on a day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the Annual General Meeting.
43. A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in prescribed manner to all members entitled to receive the same specifying the place, date, day and hour of the meeting.
Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.
44. All general meetings other than annual general meeting shall be called extra-ordinary general meeting.
45. Where it is proposed to pass a special resolution, clear seven days' notice specifying the place, date, day

- and hour of the meeting and the intention to propose the resolution as a special resolution shall be given to the person entitled to vote thereat.
46. In the case of a meeting other than a meeting for passing special resolution, at least seven days' notice specifying the place, date, day and hour of the meeting and, in the case of any item of special business, the nature of the business to be transacted at the meeting, shall be given to the persons entitled to vote thereat.
 47. The accidental omission to give any such notice to or the non-receipt of such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any meetings.
 48. A statement in respect of special items of business under section 102 of the Companies Act, 2013 need not be annexed to the notice calling a general meeting
 49. (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.
 50. Subject to the provisions of the Act, the member(s) may participate in the General Meeting(s) through electronic mode including video conferencing, provided that two members should be personally present for the meeting.
 51. Where it is proposed to pass a special resolution, clear twenty-one days' notice specifying the place, date, day and hour of the meeting and the intention to propose the resolution as a special resolution shall be given to the person entitled to vote thereat.
 52. In the case of a meeting other than a meeting for passing special resolution, at least twenty-one days' notice specifying the place, date, day and hour of the meeting and, in the case of any item of special business, the nature of the business to be transacted at the meeting, shall be given to the persons entitled to vote thereat.
 53. The accidental omission to give any such notice to or the non receipt of such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any meetings.
 54. A statement in respect of special items of business under section 102 of the Companies Act, 2013 need not be annexed to the notice calling a general meeting.

Proceedings at General Meetings

55. (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 section 103.
56. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
57. 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.
58. 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.

The Chairperson shall not have a casting vote.

Adjournment Of Meeting

59. (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 section 103 of 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

60. 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.
61. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
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 proceeded with, pending the taking of the poll.
65. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
66. (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

67. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised 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.
68. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
69. 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

70. (i) The Company shall have minimum of three directors and maximum of fifteen directors on its Board.

- (ii) The limit of fifteen Directors can be increased by complying with the provisions of section 149 of the Act.
71. Following are the First Directors of the Company:
1. Mr. Abhishek Rameshkumar More
 2. Mr. Rohit Rameshkumar More
72. (i) The remuneration of the directors shall, 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.
73. The Board may pay all expenses incurred in getting up and registering the company.
74. The company may exercise the powers conferred on it by section 88 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 think fit respecting the keeping of any such register.
75. 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.
76. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book or register to be kept for that purpose.
77. (i) Subject to the provisions of section 149, 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.
- (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.
78. The Directors may, subject to provisions of the Act, appoint any person, not being a person holding alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence from India provided that such absence shall be for a period of not less than three months, and such appointee whilst he holds office as an Alternate Director shall be entitled to receive notices of meetings of the Board of Directors and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the original director returns to India, or vacates office as a Director.
79. In pursuance to the provisions of section 161 of the Companies Act, 2013 or any other law for the time being in force or any agreement or so long as any moneys are owing by the Company to any Finance Corporation or Credit Corporation or to any Financing Company or institution or any other Body Corporate (which Corporation, Company or Body Corporate is hereinafter in this Article referred to as 'The Corporation') the directors may authorise such Corporation to nominate from time to time any person as a director of the Company and may agree that the Nominee Director so appointed shall not be liable to retire by rotation. The Corporation may at any time and from time to time remove such nominee directors appointed by it and may at the time of such removal or in case of death or resignation of the person so appointed, at any time, appoint any other person as a nominee director in his place. Such appointment or removal shall be made in writing and signed by the Chairperson of the Corporation or directors or any person so authorized thereof and shall be delivered to the Company at its Registered Office. It is clarified that every corporation entitled to appoint a Director under this Article may appoint one such person as

nominee director so that if more than one Corporation is so entitled there may be at any time, subject to the provisions of Article 79 as many nominee directors as the Corporations eligible to make the aforesaid appointment.

80. At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office., and they will be eligible for re-election. Provided that the Managing Director appointed or the Director/s appointed as a Debenture Director/s and Special Director under Articles hereto or the Independent Directors appointed pursuant to the provisions of the Companies Act, 2013 shall not be liable to retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article. However, in order to fulfill the requirements of the Act or of this clause, the Managing Director may also be made liable to retire by rotation.
81. The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company together with money already borrowed by the company shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves apart from temporary loans obtained from the Company's bankers in the ordinary course of business, that is to say, reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 179 and 180 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.
- Proceedings of the Board**
82. (i) The Board of Directors may from time to time meet for the conduct of business provided that a minimum number of four meetings are held every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
- (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.
- (iii) Every Board Meeting shall be called by giving not less than seven days' notice in writing to every director and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be called at shorter notice to transact urgent business subject to the provisions of the Act.
83. (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.
84. 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.
85. (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 directors to be Chairperson of the meeting.
86. (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, conform to any regulations that may be imposed on it by the Board.
87. (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.
88. (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.
89. 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.
90. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer

91. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
92. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by it being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

93. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

94. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
95. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
96. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like

discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
97. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
 - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
98. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
99. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
100. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
101. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
102. No dividend shall bear interest against the company.

Accounts

103. (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 authorised by the Board or by the company in general meeting.

Winding Up

104. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (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.

Indemnity

105. 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.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at C/o Poona Bottling Company Private Limited., 410/1, 411/2, Mumbai Pune Road, Dapodi, Pune-411012, from date of filing the Draft Red Herring Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS

- 1) Offer Agreement dated August 21, 2023 between the Book Running Lead Manager, Company and Selling Shareholder.
- 2) Agreement dated August 21, 2023 between our Company, Selling Share Holder and the Registrar to the Offer.
- 3) Public Offer Account Agreement dated [●] among our Company, selling shareholder, the Book Running Lead Manager, the Banker to Issue/Public Issue Bank/Refund Banker/Sponsor Banker, and the Registrar to the Issue.
- 4) Underwriting Agreement dated [●] between our Company, the Selling Shareholder and Book Running Lead Manager.
- 5) Market Making Agreement dated [●] between our Company, selling shareholder and the Book Running Lead Manager and the Market Maker.
- 6) Agreement among NSDL, our Company and the Registrar to the offer dated July 21, 2023.
- 7) Agreement among CDSL, our Company and the Registrar to the offer dated July 12, 2023.

MATERIAL DOCUMENTS

- 1) Certified True Copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Resolution of the Board dated July 20, 2023 approving the offer.
- 3) Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated July 21, 2023 approving the offer.
- 4) Statement of Tax Benefits dated August 23, 2023 issued by Sharad Shah & Company, Chartered Accountants, Statutory Auditor of our Company.
- 5) Authorisation Letter dated July 21, 2023 issued by the selling shareholder.
- 6) Report on Restated financial Statement of the Statutory & Peer Reviewed Auditor, M/s. Sharad Shah & Co., Chartered Accountants dated August 21, 2023 for FY March 31, 2023, 2022 and March 31, 2021 and dated August 23, 2023 for period June 30, 2023 of our Company.
- 7) Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to our Company, the Book Running Lead Manager, Underwriter, Registrar to the Offer, Market Maker to the Offer, Peer Review Auditor, Legal Advisor, Banker to the Offer/Public Offer Bank, Refund Banker to the Offer, Sponsor Bank to the Offer, to act in their respective capacities.

- 8) Copy of approval from NSE vide letter dated [●] to use the name of NSE in this offer document for listing of Equity Shares on NSE Emerge Platform.
- 9) Due Diligence Certificate [●] from the Book Running Lead Manager.

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 other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that, all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the rules/guidelines/regulations issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

| Name | DIN | Designation | Signature |
|-------------------------------|----------|---------------------------------|-----------|
| Mr. Abhishek Rameshkumar More | 00139618 | Managing Director | Sd/- |
| Mr. Rohit Rameshkumar More | 00139797 | Executive Director | Sd/- |
| Mr. Rameshkumar More | 00140179 | Non-Executive Director | Sd/- |
| Mr. Aqueel Mehboob Merchant | 08042097 | Additional Independent Director | Sd/- |
| Ms. Megha Virendra Raval | 10241141 | Additional Independent Director | Sd/- |

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY:

Sd/-
Shrinivas Lakhichand Behede
(Chief Financial Officer)

Sd/-
Heny Pahuja
(Company Secretary & Compliance Officer)

Place: Pune
Date: August 28, 2023

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered by us in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf Shree M P J Cement Works LLP

Sd/-

Abhishek Rameshkumar More

Place: Pune

Date: August 28, 2023