



Prospectus  
Dated: February 27, 2023  
(To be updated upon ROC filing)  
Please read Section 26 & 32 of Companies Act, 2013  
Fixed Price Issue



Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
No. 521/2, Anna Salai Nandanam, Chennai - 600035, Tamil Nadu, India	N.A.	Ms. Sampath Kumar Sujatha, Company Secretary and Compliance Officer	<b>Email:</b> info@velsfilminternational.com <b>Tel:</b> 044 24315541/ 542	www.velsfilminternational.com

PROMOTER OF THE COMPANY
Dr. Ishari Kadhivelan Ganesh

DETAILS OF ISSUE TO PUBLIC				
Type	Fresh Issue Size (Rs. In Lakhs)	OFS Size (Rs. In Lakhs)	Total Issue Size (Rs. In Lakhs)	Eligibility
Fresh Issue	Rs. 3,373.92 Lakhs	N.A.	Rs. 3,373.92 Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.


**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**


RISKS IN RELATION TO THE FIRST ISSUE
The face value of the Equity Shares is Rs. 10 each and the Issue Price is 9.90 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 72 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 26.

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

LISTING
The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).

LEAD MANAGER TO THE ISSUE		
Name and Logo	Contact Person	Email and Telephone
<b>Khambatta Securities Limited</b> 	Mr. Vipin Aggarwal; Mr. Vinay Pareek	<b>Email:</b> ipo@khambattasecurities.com <b>Tel:</b> 011-41645051, 022-66413315

REGISTRAR TO THE ISSUE		
Name and Logo	Contact Person	Email and Telephone
<b>Cameo Corporate Services Limited</b> 	Ms. K. Sreepriya	<b>Email:</b> priya@cameoindia.com <b>Tel:</b> 044 - 40020700

ISSUE PROGRAMME	
ISSUE OPENS ON: FRIDAY, MARCH 10, 2023	ISSUE CLOSES ON: TUESDAY, MARCH 14, 2023



**VELS FILM INTERNATIONAL LIMITED**

Our Company was originally incorporated in as "VELS Film International Limited" on 25th October, 2019 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identity Number of our Company is U74999TN2019PLC132235. For further details on incorporation and registered office of our Company, see "Our History and Certain Other Corporate Matters" beginning on page 100.

**Registered Office:** No. 521/2, Anna Salai Nandanam, Chennai-600035, Tamil Nadu, India

**Tel No.:** 044 24315541/ 542; **E-mail:** info@velsfilminternational.com; **Website:** www.velsfilminternational.com

**Contact Person: Mr. Ganesan Thiagarajan, Chief Financial Officer**

**PROMOTER OF OUR COMPANY: Dr. ISHARI KADHIRVELAN GANESH**

**DETAILS OF THE ISSUE**

**PUBLIC ISSUE OF 34,08,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP OF VELS FILM INTERNATIONAL LIMITED "VFIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 99/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING SHARE PREMIUM OF RS. 89/- PER EQUITY SHARE) AGGREGATING RS. 3,373.92 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,72,800 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 32,35,200 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.40% AND 25.06% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE ISSUE PRICE IS RS. 99/-.  
THE ISSUE PRICE IS 9.90 TIMES THE FACE VALUE.**

In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. This offer is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NII and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 172. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first 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 Rs. 10/- and the Issue Price is 9.90 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 72) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**



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 Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 26.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of NSE ("NSE Emerge"). Our Company has received an in-principle approval letter dated December 08, 2022 from NSE for using its name in this issue document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
<div><p><b>KHAMBATTA SECURITIES LIMITED</b> 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India <b>Tel:</b> 011-41645051, 022-66413315 <b>Email:</b> ipo@khambattasecurities.com <b>Investor Grievance Email:</b> mbcomplaints@khambattasecurities.com <b>Website:</b> www.khambattasecurities.com <b>Contact Person:</b> Mr. Vipin Aggarwal; Mr. Vinay Pareek <b>SEBI Registration No.:</b> INM000011914</p></div>		<div><p><b>CAMEO CORPORATE SERVICES LIMITED</b> Subramanian Building, No. 1 Club House Road, Chennai-600002, Tamil Nadu, India <b>Tel:</b> 044 - 40020700 <b>Email:</b> priya@cameoindia.com <b>Website:</b> www.cameoindia.com <b>Contact Person:</b> Mr. K. Sreepriya <b>SEBI Registration No:</b> INR000003753</p></div>	
ISSUE PROGRAMME			
ISSUE OPENS ON: FRIDAY, MARCH 10, 2023		ISSUE CLOSES ON: TUESDAY, MARCH 14, 2023	

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## SECTION – I GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

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

#### Company Related Terms

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on April 30, 2022 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 103.
Auditors / Statutory Auditors / Peer Reviewed Auditors	The statutory auditors of our Company, currently being M/s S R B R & Associates LLP., Chartered Accountants, having their office at Romar House Chamber D, 3rd Floor, 6/9, Jaganathan Road, Nungambakkam, Chennai-600034, Tamil Nadu, India
Bankers to our Company	Bank of Baroda.
Board of Directors / Board / Directors (s)	The Board of Directors of VELS Film International Limited, including all duly constituted Committees thereof as the context may refer to
Managing Director	The Managing Director of our Company is Dr. Ishari Kadhivelan Ganesh.
Chief Financial Officer /CFO	The Chief Financial Officer of our Company is Mr. Ganesan Thiagarajan
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Mrs. Sampath Kumar Sujatha.
Corporate Identification Number / CIN	U74999TN2019PLC132235
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each fully paid-up
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Entities</i> ” beginning on page 128.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 103.
ISIN	International Securities Identification Number. In this case being INE013H01019.



Term	Description
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013, together with the Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 103.
Materiality Policy	The policy adopted by our Board on September 09, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on April 30, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 103.
Non-Executive Director	A Director not being an Executive Director or is an Independent Director.
Promoter	Dr. Ishari Kadhivelan Ganesh or Dr. Ishari K. Ganesh
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 119.
Registered Office	The Registered Office of our Company situated at No.521/2, Anna Salai Nandanam Chennai-600035, Tamil Nadu India.
Registrar of Companies / RoC	Registrar of Companies, Chennai situated at Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India
Restated Financial Statements	Restated Financial Statements of our Company for the financial years ended on 2022, 2021 and 2020 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on April 30, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 103.

## Issue Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue for Sale to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only
Application lot	1,200 Equity Shares and in multiples thereof
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Application Amount of the Applicant
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Kotak Mahindra Bank Limited.
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated February 21, 2023, entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page 172.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account

Term		Description
Collecting Depository Participant(s) or CDP(s)		A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches		Such branches of the SCSBs which coordinate with the Lead Manage, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Collection Centres		Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs
Demographic Details		The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable)
Designated Locations	CDP	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange
Designated Date		The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts locked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent		Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Exchange	Stock	National Stock Exchange of India Limited (SME Platform - NSE Emerge)
Draft Prospectus		The Draft Prospectus issued in accordance with the SEBI ICDR Regulations.
Eligible NRI(s)		NRIs from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants
Eligible QFIs		Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation to participate in the Issue and in relation to whom the 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
First Applicant		Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Foreign Institutional Investors/ FII		Foreign Institutional Investor (as defined under SEBI FII Regulations) registered with SEBI under applicable laws in India
Foreign Investor / FPIs	Portfolio	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fresh Issue		The fresh Issue of up to 34,08,000 Equity Shares at a price of Rs.99.00 per equity share aggregating to Rs. 3,373.92 Lakhs to be issued by our Company as part of this Issue.
General Information Document or GID		The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23,

Term	Description
	2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM
Issue	This Initial Public Issue of up to 34,08,000 Equity Shares for cash at an Issue Price of Rs. 99.00 per Equity Share comprising of only Fresh Issue of up to 34,08,000 Equity Shares for cash at a Price of Rs.99.00 per Equity Share aggregating to Rs. 3,373.92 Lakhs by our company.
Issue Agreement	The agreement dated June 30, 2022, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing date	The date on which the Issue closes for subscription being March 14, 2023
Issue Opening date	The date on which the Issue opens for subscription being March 10, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Issue Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company, in consultation with the LM in terms of the Prospectus on the Pricing Date.
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 67.
LM / Lead Manager	Lead Manager to the Issue, in this case being Khambatta Securities Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Lot Size	The Market lot and Trading lot for the Equity Share is 1,200 and in multiples of 1,200 thereafter; subject to a minimum allotment of 1,200 Equity Shares to the successful applicants
Market Maker Reservation Portion	The Reserved portion of up to 1,72,800 Equity shares of Rs.10/- each at an Issue Price of Rs. 99.00 aggregating to Rs. 171.07 Lakhs for Designated Market Maker in the Public Issue of our Company
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated February 25, 2023
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Issue less the Market Maker reservation portion
Net Proceeds	The Gross Proceeds from the Fresh Issue less the Issue related expenses in relation to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page 67.

Term	Description
Non – Institutional Investor	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of National Stock Exchange of India Limited
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the companies Act, 2013 containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	Account opened with Bankers to the Issue under section 40(3) of the Companies Act, 2013 for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being February 21, 2023
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Registrar Agreement	The agreement dated June 30, 2022 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue being Cameo Corporate Services Limited
Retail Individual investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs.2,00,000 in this Issue
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the



Term	Description
	UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> or such other website as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	The Underwriter in this case is Khambatta Securities Limited
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI 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 authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays,



Term	Description
	as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

#### Technical and Industry Terms

Term	Description
2D	Two Dimension.
3D	Three Dimension.
Aggregation Rights	Titles over which one has limited ownership rights;
ATPs	Average Ticket Prices
BWA	Broadband wireless access;
C&S	Cable and Satellite
CAGR	Compounded Annual Growth Rate.
CBFC	Central Board of Film Certification
CD	Compact Disc
Content Library	Titles where one has Perpetual Rights or Aggregation Rights”.
D-Cinema	Digital Cinema Initiative compliant
DCI	Digital Cinema Initiative.
DVD	Digital Versatile Disc.
E-Cinema	A commonly used term to describe various technologies used to digitally deliver movie content other than through D-Cinema.
e-tax	Entertainment Tax
HD	High Definition
M&E	Indian Media and Entertainment.
NFDC	National Film Development Corporation of India
NOC	Network Operation Center
OTT	Over the Top
Perpetual Rights	Titles over which we have complete ownership rights.

PC	Personal Computer
TV	Television

#### Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
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.Com	Bachelor's Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	The Companies Act, 2013 as amended from time to time, including sections of Companies Act, 1956 wherever applicable.
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and 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

Term	Description
DP ID	Depository Participant's Identity
DB	Designated Branch
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, 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

Term	Description
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 “ <i>Our Management</i> ” beginning on page 103.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational corporation
N/A or NA	Not Applicable

Term	Description
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
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
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
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

Term	Description
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
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India.
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, 1996.
SEBI 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
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	NSE
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number



Term			Description
TNW			Total Net Worth
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
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.
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 197, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Information*' beginning on page 136, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Tax Benefits*" beginning on page 75, 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 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 chapter titled ‘*Financial Information*’ beginning on page 136. 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.

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 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 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 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 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, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘*Financial Information*’ beginning on page 136.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “₹” 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 ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from International Monetary Fund (IMF), KPMG, E&Y, FICCI and websites- [www.investindia.gov.in](http://www.investindia.gov.in), [www.thedrum.com](http://www.thedrum.com), [www.livemint.com](http://www.livemint.com), [www.timesofindia.indiatimes.com](http://www.timesofindia.indiatimes.com), [www.thenews.com.pk](http://www.thenews.com.pk), [www.thehindu.com](http://www.thehindu.com), 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 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 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 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.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our failure to keep pace with changes in technology;
- Increased competition in our Industry;
- Competition from international and domestic companies
- Our ability to attract and retain talented personnel;
- Any disruption in film industry;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion plans;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- 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;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

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 26 and 139 respectively. 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. 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 LM 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 OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

Our Company is primarily in the business of production of films and sale of film rights. Vels Film International Limited is the result of the vision of Dr. Ishari K Ganesh to produce feature films in various languages. Our company is a member of South Indian Film Chamber of Commerce. The company's contribution to the South Indian Film Industry is growing in fast pace particularly to the Tamil Film Industry which is the third biggest in India.

For more details, please refer chapter titled “*Our Business*” beginning on page 87.

### SUMMARY OF OUR INDUSTRY

We operate in the business of production of films and sale of film rights. For more details, please refer chapter titled “*Industry Overview*” beginning on page 78.

### OUR PROMOTER

The promoter of our company is Dr. Ishari Kadhivelan Ganesh.

### SIZE OF ISSUE

<b>Present Offer of Equity Shares by our Company</b>	Up to 34,08,000 Equity shares of Rs.10/- each for cash at a price of Rs. 99.00 per Equity shares aggregating to Rs. 3,373.92 Lakhs
<b>The Issue consists of:</b>	
<b>Fresh Issue</b>	Up to 34,08,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 99.00 per Equity Share aggregating Rs.3,373.92 Lakhs
<b>Of which:</b>	
<b>Offer Reserved for the Market Maker</b>	Up to 1,72,800 Equity shares of Rs.10/- each for cash at a price of Rs. 99.00 per Equity shares aggregating to Rs. 171.07 Lakhs
<b>Net Issue</b>	Up to 32,35,200 Equity shares of Rs.10/- each for cash at a price of Rs. 99.00 per Equity shares aggregating to Rs.3,202.85 Lakhs

For further details, please refer to chapter titled “*Terms of the Issue*” beginning on page 164.

### OBJECTS OF THE OFFER

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1.	Film production	2,800.00
2.	General Corporate Purposes	533.92
	<b>Total</b>	<b>3,333.92</b>

For further details, please refer to chapter titled “Objects of the Issue” beginning on page 67.

### PRE-OFFER SHAREHOLDING OF OUR PROMOTER, PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Set forth is the Pre-Offer shareholding of our Promoter, Promoter Group as a percentage of the paid-up share capital of the Company:

Particular	Pre-Offer	
	Number of Shares	Percentage (%) holding
<b>Promoter</b>		
Dr. Ishari Kadhivelan Ganesh	94,36,000	99.33
<b>Promoter Group</b>		
Dr. Arthi Ganesh	36,000	0.38

Particular	Pre-Offer	
	Number of Shares	Percentage (%) holding
Ms. Preethaa Ganesh	9,000	0.09
Mrs. Pushpavelan	9,000	0.09
Ms. Kushmitha Kadhivelan Ganesh	9,000	0.09
Mrs. Kamala Kannan Ashwin Kumar	500	Negligible
Ms. Nithya Kalyani	500	Negligible
<b>Total</b>	<b>95,00,000</b>	<b>100%</b>

#### SUMMARY OF RESTATED FINANCIAL STATEMENTS

The restated financial details as per consolidated financials are as follows-

(Rs. In Lacs)

Particulars	For the period ended	For the year ended March 31*		
	September 30	2022	2021	2020
<b>Share Capital</b>	950.00	950.00	NA	NA
<b>Reserves and Surplus</b>	1,063.42	929.42		
<b>Net worth</b>	2,013.42	1,879.42		
<b>Total Revenue</b>	4,718.97	2,717.92		
<b>Profit after Tax</b>	134.00	338.23		
<b>Earnings per share (Basic &amp; diluted) (Rs.)</b>	1.41	3.56		
<b>Net Asset Value per Equity Share (Rs.)</b>	21.19	19.78		
<b>Total Long-Term Borrowings</b>	4,583.94	4,803.21		

The restated financial details as per standalone financials are as follows-

(Rs. In Lacs)

Particulars	For the period ended	For the year ended March 31*		
	September 30	2022	2021	2020
<b>Share Capital</b>	950.00	950.00	950.00	10.00
<b>Reserves and Surplus</b>	1,360.28	1,060.67	591.19	(1.33)
<b>Net worth</b>	2,310.28	2,010.67	1,541.19	8.67
<b>Total Revenue</b>	4,561.29	2,735.83	2,601.37	-
<b>Profit after Tax</b>	299.61	469.48	592.52	(1.33)
<b>Earnings per share (Basic &amp; diluted) (Rs.)</b>	3.15	4.94	85.58	(1.33)
<b>Net Asset Value per Equity Share (Rs.)</b>	24.32	21.16	16.22	8.67
<b>Total Long-Term Borrowings</b>	3,251.24	3,572.09	-	-

#### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

#### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors and Promoter is provided below:

Nature of Case	Number of cases / Notices issued	Amount involved (Rs. In Lakhs)
<b>Litigations involving our Company</b>		
-Litigation Involving Actions by Statutory/ Regulatory Authorities;	Nil	Nil
-Litigation involving Tax Liabilities;	Nil	Nil
-Proceedings involving issues of moral turpitude or criminal liability on the part of our company;	Nil	Nil
-Proceedings involving Material Violations of Statutory Regulations by our Company;	Nil	Nil
-Matters involving economic offences where proceedings have been initiated against our Company;	Nil	Nil
-Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	Nil	Nil
<b>Litigations involving our director cum Promoter (Direct Taxes)</b>	1	Unascertained*
<b>Litigation involving our directors other than Promoter (Direct Taxes)</b>	13**	52.74
<b>Litigation involving our Group Entities (Direct Tax)</b>	Nil	Nil
<b>Litigation involving our Group Entities (Others)</b>	Nil	Nil

\*The amount is unascertained since the case is pending with the Income Tax Settlement Commission.

\*\*These are related to the Income Tax notices received by the Directors.

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 149.

## RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 26.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, no contingent liability exists for the period ended on March 31, 2022 and financial years ended on 2022, 2021 and 2020.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 136.

## SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 “Related Party Disclosures” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

### As per Restated Consolidated Financial Information

#### Description of related parties

#### 1. Key Managerial Personnel (KMP)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 March 2022
1. Ishari Ganesh Kadhivelan, Managing Director 2. Ganesan Thiagarajan, Chief Financial Officer 3. Sampath Kumar Sujatha, Company Secretary	1. Ishari Ganesh Kadhivelan, Managing Director 2. Ganesan Thiagarajan, Chief Financial Officer 3. Sampath Kumar Sujatha, Company Secretary



## 2. Relatives of KMP (with whom transactions have taken place during the reporting period/year)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
• Arthi Ganesh, Director	• Arthi Ganesh, Director

## 3. Entities where KMPs or relatives of KMPs exercise significant influence (with whom transactions have taken place during the reporting period/ year)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<ul style="list-style-type: none"> <li>• Kushmitha Foundations Private Limited</li> <li>• Arthi Associates Private Limited</li> <li>• VGS Estates Private Limited</li> <li>• VG Park Beach Resorts Private Limited</li> <li>• Prabhudeva Studios Private Limited</li> <li>• GV Studio City Limited</li> <li>• Vel Ganesh Foundations Private Limited</li> <li>• Cybernexa Infotech Private Limited</li> <li>• MDIS - Vels Education Private Limited*</li> <li>• Vels Film International (Proprietor)</li> <li>• BMMT Institute of Education</li> <li>• Vel Chennai Warriors LLP</li> <li>• Madras Elephant Estate Private Limited</li> <li>• Vels Aviation Services IFSC Private Limited</li> <li>• Kindle Kids International School Pte Limited, Singapore</li> <li>• Vels Education Limited, England</li> </ul> <p>The below related parties are former promoters of the subsidiary company. There are no transactions during the year with the parties:</p> <ul style="list-style-type: none"> <li>• Saravana Prasad J V</li> <li>• Radhika Achuthan</li> <li>• Upasana Mittal</li> </ul> <p>The below related parties are former promoters of the subsidiary company. There are no transactions during the year with the parties:</p> <ul style="list-style-type: none"> <li>• Saravana Prasad J V</li> <li>• Radhika Achuthan</li> <li>• Upasana Mittal</li> </ul>	<ul style="list-style-type: none"> <li>• Kushmitha Foundations Private Limited</li> <li>• Arthi Associates Private Limited</li> <li>• VGS Estates Private Limited</li> <li>• VG Park Beach Resorts Private Limited</li> <li>• Prabhudeva Studios Private Limited</li> <li>• GV Studio City Limited</li> <li>• Vel Ganesh Foundations Private Limited</li> <li>• Cybernexa Infotech Private Limited</li> <li>• MDIS - Vels Education Private Limited*</li> <li>• Vels Film International (Proprietor)</li> <li>• BMMT Institute of Education</li> <li>• Vel Chennai Warriors LLP</li> <li>• Madras Elephant Estate Private Limited</li> <li>• Vels Aviation Services IFSC Private Limited</li> <li>• Kindle Kids International School Pte Limited, Singapore</li> <li>• Vels Education Limited, England</li> </ul> <p>The below related parties are former promoters of the subsidiary company. There are no transactions during the year with the parties:</p> <ul style="list-style-type: none"> <li>• Saravana Prasad J V</li> <li>• Radhika Achuthan</li> <li>• Upasana Mittal</li> </ul> <p>Innovative Group</p> <ul style="list-style-type: none"> <li>• Innovative Leisure and Entertainment Private Limited</li> <li>• Innovative Short Film (Proprietorship of Mr. Saravana prasad)</li> <li>• Innovative Arcade (Proprietorship of Mrs. Upasana Mittal)</li> <li>• Innovative Film Academy Private Limited (OPC)</li> <li>• Innovative Productions</li> <li>• Innovative Wine Park and Research Private Limited</li> <li>• Innovative Constructions (Proprietorship of Mr. Saravana prasad JV)</li> </ul> <p>Suresh Productions Group</p> <ul style="list-style-type: none"> <li>• Suresh Productions Entertainment LLP</li> <li>• Suresh Productions Private Limited</li> <li>• Suresh Ads Private Limited</li> <li>• Syamala Talkies</li> <li>• Suresh Mahal</li> <li>• Jothee Syndicate</li> <li>• Ramnaidu Charitable Trust</li> <li>• Deccan Dreams Animations LLP</li> <li>• Iriss Electronic Travel Distribution Pvt Ltd</li> <li>• Anthill Studios Private Limited</li> <li>• Kwan (South) Celebrity Services Private Limited</li> </ul>

	• Asian Theatres Pvt Ltd.
<i>Now Stuck off</i> <i>Note: Our Promoter and his Relative have disassociated from some of the above-named companies in last three years.</i>	

Nature of Transactions	Name of Related Parties	As at September 30	As at March 31
		2022	2022
Loan Received	Dr. Ishari	5,039.00	4,934.87
Loan Repaid	Kadhirvelan	1,664.00	5,131.94
<b>Total</b>	Ganesh	<b>5,039.00</b>	<b>10,066.81</b>
Loan Received	Dr. Arthi Ganesh	-	-
Loan Repaid		-	8.24
<b>Total</b>		-	<b>8.24</b>
Remuneration Paid	Dr. Ganesan Thiagarajan	5.00	2.00
Salary Provisions		3.00	
<b>Total</b>		<b>8.00</b>	<b>2.00</b>
Loan Received	M/s Vels Film International (Proprietor)	1.81	47.20
Loan Repaid		0.45	25.01
Expenses relating to movies- Receipt of Service		-	777.80
Expenses relating to movies- Payment Made		155.48	-
<b>Total</b>		<b>157.74</b>	<b>850.01</b>
Loan Received	Prabhudeva Studios Private Limited	-	17.50
Loan Repaid		-	6.80
<b>Total</b>		-	<b>24.30</b>
Loan Received	Arthi Associates Private Limited	212.00	2,221.95
Loan Repaid		1,348.00	-
Long Term Loan Received		-	1,150.00
Loan Term Loan Repaid		-	42.72
Interest Accrued		59.96	94.47
Interest on Loan Paid		-	93.73
<b>Total</b>		<b>1,619.96</b>	<b>3,602.87</b>
Loan Received	Kushmitha Foundations Private Limited	-	1,060.00
Loan Repaid		206.00	42.40
Interest Accrued		47.92	86.62
Interest on Loan Paid		-	86.30
<b>Total</b>		<b>253.92</b>	<b>1,275.32</b>
Long Term Loan Received	VG Park and Beach Resorts Private Limited	-	1,496.00
Long Term Loan Repaid		127.60	48.79
Interest Accrued		74.48	113.53
Interest on Loan Paid		-	111.56
<b>Total</b>		<b>202.08</b>	<b>1,769.88</b>

#### As per Restated Standalone Financial Information

##### Description of related parties

##### 1. Key Managerial Personnel (KMP)

For the Period ended			
30-Sep-22	31-Mar-22	31-Mar-21	31-Mar-20

Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan
Ganesan Thiagarajan	Ganesan Thiagarajan	-	-
Sampath Kumar Sujatha	Sampath Kumar Sujatha	-	-

**2. Relatives of KMP (with whom transactions have taken place during the reporting period/year)**

For the Period ended			
30-Sep-22	31-Mar-22	31-Mar-21	31-Mar-20
Arthi Ganesh	Arthi Ganesh	Arthi Ganesh	Arthi Ganesh

**3. Entities where KMPs or relatives of KMPs exercise significant influence (with whom transactions have taken place during the reporting period/ year)**

For the Period ended 31 March			
31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-20
Kushmitha Foundations Private Limited	Kushmitha Foundations Private Limited	GV Films Limited	GV Films Limited
Arthi Associates Private Limited	Arthi Associates Private Limited	Kushmitha Foundations Private Limited	Kushmitha Foundations Private Limited
VGS Estates Private Limited	VGS Estates Private Limited	VGS Estates Private Limited	Arthi Associates Private Limited
VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited
Prabhudeva Studios Private Limited	Prabhudeva Studios Private Limited	Prabhudeva Studios Private Limited	VGS Estates Private Limited
GV Films Limited	GV Films Limited	GV Studio City Limited	Vel Ganesh Foundations Private Limited
GV Studio City Limited	GV Studio City Limited	Vel Ganesh Foundations Private Limited	Cybernexa Infotech Private Limited
Vel Ganesh Foundations Private Limited	Vel Ganesh Foundations Private Limited	Cybernexa Infotech Private Limited	MDIS - Vels Education Private Limited*
Cybernexa Infotech Private Limited	Cybernexa Infotech Private Limited	MDIS - Vels Education Private Limited*	Vel Chennai Warriors LLP
MDIS - Vels Education Private Limited*	MDIS - Vels Education Private Limited*	Vels Film International (Proprietor)	Indian Celebrity Entertainers LLP
Vels Film International (Proprietor)	Vels Film International (Proprietor)	BMMT Institute of Education	Prabhudeva Studios Private Limited
BMMT Institute of Education	BMMT Institute of Education	Vel Chennai Warriors LLP	BMMT Institute of Education
Vel Chennai Warriors LLP	Vel Chennai Warriors LLP	Square Foundations LLP	GV Studio City Limited
Madras Elephant Estate Private Limited	Madras Elephant Estate Private Limited	Madras Elephant Estate Private Limited	Vels Film International (Proprietor)
Vels Aviation Services IFSC Private Limited	Vels Aviation Services IFSC Private Limited	Innovatie Studios Private Limited	-
Kindle Kids International School Pte Limited, Singapore	Kindle Kids International School Pte Limited, Singapore	-	-
Vels Education Limited, England	Vels Education Limited, England	-	-

Nature of Transactions	Name of Related Parties	As at September 30	As at March 31			
		2022	2022	2021	2020	
Loan Received	Ishari Kadhirvelan Ganesh	5,039.00	4,934.87	3,691.59	20.00	
Loan Repaid		1,664.00	5,131.94	2,551.50	20.00	
Total		6,703.00	10,066.81	6,243.09	40.00	
Loan Received	Arthi Ganesh	-	-	8.24	-	
Loan Repaid		-	8.24	-	-	
Total		-	8.24	8.24	-	
Remuneration Paid	Ganesan Thiagarajan	5.00	2.00	-	-	
Salary Provisions		3.00				
Total		8.00	2.00	-	-	
Loan Received	Vels Film International (Proprietor)	1.81	47.20	2,806.06	563.90	
Loan Repaid		0.45	25.02	2,722.16	86.91	
Expenses relating to movies-Receipt of Service		-	777.80	139.70	-	
Expenses relating to movies-Payment Made		155.48	-	139.70	-	
Sale of Right-Service Received		-	-	2,660.00	-	
Sale of Right-Payment Made		-	-	2,660.00	-	
Total		157.74	850.02	11,127.62	650.81	
Loan Received	Prabhudeva Studios Private Limited	-	17.50	85.00	-	
Loan Repaid		-	6.80	-	-	
Total		-	24.30	85.00	-	
Loan Received	Arthi Associates Private Limited	212.00	2,221.95	-	-	
Loan Repaid		1,348.00	-	-	-	
Long Term Loan Received		-	1,150.00	-	-	
Loan Term Loan Repaid		-	42.72	-	-	
Interest Accrued		59.96	94.47	-	-	
Interest on Loan Paid		-	93.73	-	-	
Total		1,619.96	3,602.87	-	-	
Loan Received	Kushmitha Foundations Private Limited	-	1,060.00	-	-	
Loan Repaid		206.00	42.40	-	-	
Interest Accrued		47.92	86.62	-	-	
Interest on Loan Paid		-	86.30	-	-	
Total		253.92	1275.32	-	-	
Long Term Loan Received	VG Park and Beach Resorts Private Limited	-	1,496.00	-	-	
Long Term Loan Repaid		127.60	48.79	-	-	
Interest Accrued		74.48	113.54	-	-	
Interest on Loan Paid		-	111.57	-	-	
Total		202.08	1,769.90	-	-	

Nature of Transactions	Name of Related Parties	As at September 30	As at March 31		
		2022	2022	2021	2020
Loan Given	VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)	2,027.50	2,717.89	2,349.73	100.00
Loan Repaid		105.47	3,107.89	-	-
Interest Accrued on Loan Given		81.60	78.65	-	-
Interest Received on Loan Given		158.53	-	-	-
Investment in Equity shares and Compulsorily convertible preference shares		-	2,437.09	2.50	-
<b>Total</b>		<b>2,373.10</b>	<b>8,341.52</b>	<b>2,352.23</b>	<b>100.00</b>

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 136.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Prospectus.

## WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTER

Our Promoter has not acquired any Equity Shares in the last one (1) year preceding the date of this Prospectus.

For details, please refer to Section titled “*Capital Structure*” beginning on page 56.

## AVERAGE COST OF ACQUISITION OF PROMOTER

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

Sr. No.	Name of the Promoter	No of Equity Shares held	Average cost of Acquisition (in Rs.)*
1.	Dr. Ishari Kadhivelan Ganesh	94,36,000	10

## DETAILS OF PRE-IPO PLACEMENT

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

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Prospectus.

## SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus.

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not filed any application to SEBI with regard to exemption from complying with any provisions of securities laws.

### SECTION III: RISK FACTORS

*An investment in our Equity Shares involve a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 136, 87 and 139 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our -Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the0 risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

#### **Materiality**

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

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in future.*

#### **Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

### **INTERNAL RISK FACTORS**

- 1. Our Company, Promoter and Group Entities are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Promoter is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Promoter as on the date of this Prospectus along with the amount involved, to the extent quantifiable –



## Litigations against our Promoter:-

(Rs. In Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities	1	The amount is unascertainable because the case is pending with the Income Tax Settlement Commission, Additional bench, Chennai.
Other Pending Litigations (Material)	-	-

*Note: Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus.*

There can be no assurance that these litigations will be decided in favour of our Company, Promoter and our Group Entities, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 149.

### **2. Delays, cost overruns, cancellation or abandonment of the completion of films may have an adverse effect on our business.**

There are substantial financial risks relating to the production and completion of films. The Indian film industry as well as the south region film industry has traditionally been controlled by family run enterprises, with relatively low levels of corporatization. While the growth of corporate film production companies has in recent times increased levels of accountability, the film industry continues to be relatively unorganized. Actual film costs may exceed their budgets and factors such as labour disputes, unavailability of a star performer, equipment shortages, disputes with production teams or adverse weather conditions may cause cost overruns and delay or hamper completion of a production.

We are responsible for all cost overruns on our own productions and as such this production method exposes us to the greatest execution risk. While we try to maintain efficiency for our projects and we intend to continue such practices, we cannot assure you that any cost overruns will be adequately addressed. In the event of substantial budget overruns we may be required to seek additional financing from outside sources to complete a project, which may not be available on terms acceptable to us or at all. Any such delays in production, failure to complete projects and costs overruns could result in us not recovering our costs and could have a material adverse effect on our business, prospects, financial condition and results of operations, and harm our reputation.

### **3. Our Company is dependent on cinema theatre operators for display of films.**

Our Company is dependent on the functioning of cinema theatre operators for display of films produced by us. The failure of cinema theatre operators in displaying such films, could adversely affect our business and may damage our Company’s reputation, any of which could have a material adverse effect on the Company’s business, financial condition and results of operations.

### **4. Our revenues are dependent on regional films. Change in the interest and taste of regional people for the regional movies will materially affect the production of such films and adversely affect our revenues and profitability.**

At present, we derive our revenues from the production of regional films, primarily Tamil. The change in the interest and taste of regional people for the regional movies, primarily Tamil, will directly affect the production business of our Company and can adversely affect our business, revenue, profitability, financial condition and results of operations.

### **5. The Company is dependent on Distributors. Any delay in payment from these distributors will significantly affect our revenues and profitability.**

Our Company is primarily in the business of production of films and sale of film rights to distributors. Although we enter in distribution agreements with distributors but we expect timely payment for meeting our business requirements.

There can be no assurance that a distribution Agreement will be able to protect us in case of default or late payments by the distributor or the agreement may get terminated, in which case we would require another distributor on short notice. We might not be able to enter into new distribution agreements on favourable terms or at all, and there can be no assurance that any new distribution arrangements would be sufficient to effectively exploit our film content in markets. A decrease in our revenues from sale of film rights can have a material adverse effect on our business, prospects, financial condition and results of operations.

**6. Delays and cost overruns may have an adverse effect on the business of our subsidiary.**

Our Subsidiary is primarily in the business of owning and maintaining film studios and parks such as amusement park, water park, entertainment zones, etc. Our subsidiary is presently building the amusement park, water park and various entertainment zones at Bidadi Industrial Area, Ramanagaram District Bidadi, Bangalore-562109, Karnataka, India which is slated to complete in the FY 2023-24. The land is owned by the subsidiary company. We cannot guarantee that the work will be completed in due time. Further, there are possibilities of cost over runs by looking at the present inflation scenario in India and all over the world. Such delays and cost escalations could adversely impact the profitability of our subsidiary.

**7. We are dependent on a number of key personnel and services of the members of senior management and the loss of such persons, or our inability to attract and retain key personnel and senior management in the future, could adversely affect our business, growth prospects, results of operations and cash flows.**

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our Promoter i.e. Dr. Ishari K. Ganesh who is the Producer in our Company and other key personnel such as executive producer Mr. Ashwin Kumar K. to run and/or grow our business. We believe that our relation with our Promoter and key managerial persons, who have experience in setting up business, developing markets, managing the people who we engage in a movie and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoter family and our success depends upon the continuing services of our Promoter who has been instrumental to the growth of our business and is closely involved in the overall strategy, direction and management of our business. The loss of our Promoter and other key personnel, or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, growth prospects, results of operations and cash flows.

We face competition to recruit and retain skilled staff for every movie that we produce. Due to the limited availability of skilled personnel, competition for the talent in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of skilled staff for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these personnel. Our future success substantially depends on our ability to recruit, hire, motivate, develop, and retain talented and skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company.

For details in relation to the experience of our Promoter and key management personnel, please refer to chapter titled "*Our Management*" beginning on page 103. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

**8. Some viewers or civil society organisations may find our film content objectionable.**

It is possible that some viewers in India or abroad may object to film content produced by us based on religious, political, ideological or any other positions held by such viewers. This is particularly true of content that is graphic in nature, including violent or romantic scenes and films that are politically oriented or targeted at a particular segment of the film audience. Viewers or civil society organisations, including interest groups, political parties, religious or other organisations may assert legal claims, seek to ban the exhibition of our films, protest against us or our films or object in a variety of other ways.

Any of the foregoing could harm our reputation and could have a material adverse effect on our business, prospects, financial condition and results of operations. The film content that we produce and distribute could result in claims being asserted, prosecuted or threatened against us based on a variety of grounds, including defamation, hurting religious sentiments, invasion of privacy, negligence, obscenity or facilitating illegal activities, any of which could have a material adverse effect on our business, prospects, financial condition or results of operations.

**9. Our Registered Office is not registered in our name and is taken on license. There can be no assurance that the said license agreement will be renewed upon termination or that we will be able to obtain other premises on lease / rent on same or similar commercial terms.**

Our Registered Office is not registered in our name and is taken on license. In the event said license agreement is not renewed or is terminated, it could adversely affect our operations unless we arrange for similar premises. The premise on which our Registered Office is situated is owned by the Promoter Group. If we are unable to continue or renew such license agreement on same or similar terms, or find alternate premises on lease / rent on similar terms or at all, it may affect our business operations. For further details, please refer to chapter titled “Our Business” beginning on page 87.

**10. Our films are required to be certified by the Central Board of Film Certification (CBFC).**

Pursuant to the Indian Cinematograph Act, 1952, all Indian films must be certified by the CBFC, which must keep in mind factors such as the interest of sovereignty, integrity and security of India, friendly relations with foreign states, public order and morality. There can be no assurance that we will be able to obtain any or our desired certification for each of our films in the future and we may have to modify the title, content, characters, storylines, themes or concepts of a given film in order to obtain any certification or a desired certification that will facilitate distribution and exploitation of the film. Any such modification could reduce the appeal of any affected film to our target audience and so reduce our revenues from that film, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

**11. The trademark used by us is not registered under the Trade Marks Acts, 1999.**

As on the date of this Prospectus, we have applied for registration for our Company’s trademark / wordmark. Pending registration, we do not enjoy the statutory protection accorded to a registered trademark. There can be no assurance that our application will succeed. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the Company’s device and logo but the same would remain vulnerable to infringement and passing-off by third parties and we will not be able to enforce any rights against them. We may also need to change our Company’s wordmark which may adversely affect our reputation and business and could require us to incur additional costs. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. For details, please refer to chapter titled “*Government and Other Statutory Approvals*” beginning on page 153.

This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

**12. Our financial position and results of operations fluctuate from period to period due to film delivery schedule and other factors and may not be indicative of results for future periods.**

Our Company’s business is dependent on the efficiency and timely delivery by the actors, directors and other staff involved in a movie production. Due to a delay in delivery schedule of the films or other factors, our financial position and results of operations may fluctuate from period to period and same may adversely affect our financial condition and results of operations.

**13. There has been instances of delay in RoC compliances.**

In the past, there have been instances of delay in filing of eforms MGT-14 for a Board Meeting and General Meeting dated December 05, 2019 and a Board Meeting and General Meeting dated April 01, 2020. However, we

have received separate orders, all dated June 24, 2022, for the four delayed meetings from MCA, condoning the delay in filing of eforms and allowing us to comply with the filing. Despite our efforts for compliance, we cannot provide a guarantee of zero non-compliance with RoC or any other statutory body. In case of any such delay, our profitability could be negatively affected.

**14. We cannot predict or forecast the success of our business.**

We cannot predict or forecast if a film will be successful. The revenue from the sale of rights of a movie is dependent on the likelihood of the film to achieve success from its distribution. In addition, changing consumer behaviour compromise our ability to predict the success of film business in India and internationally. Consumer's negative behaviour could adversely affect our business and damage our Company's reputation, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

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

Our Company has entered into certain transactions with the Promoter, Promoter Group and Directors. While we believe that all such transactions are conducted at arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not being entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations. For details on the related party transactions entered into by our Company, please refer to chapter titled "*Financial Statements as Restated*" on page 136. We further confirm that the related party transactions in the latest audited financials of the company are in compliance with applicable provisions of Companies Act, 2013.

**16. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.**

We require several statutory and regulatory permits, licenses and approvals to operate our business and may differ for different movies. Many of these approvals are granted for fixed period of time and need renewal from time to time. Nonrenewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to comply with such conditions, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please refer to chapters titled "*Key Industry Regulations and Policies*" and "*Government and Other Statutory Approvals*" beginning on pages 93 and 153 respectively.

**17. Our Company does not have any similar and comparable listed peer which is involved in the same line of business for a direct comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.**

As on the date of this Prospectus, we believe that none of the listed companies in India have a business profile and revenue streams along with their size, directly comparable to our Company. However, there are listed companies in India in the film production and distribution sector with one or more business segments that may be common to our business. Since the listed companies may not be directly comparable to our Company, the accounting ratios of the same may not be a representative yardstick for our Company. Therefore, investors must rely on their own examination of our Company for subscribing to the Issue.

**18. Our Promoter and Promoter Group will continue to hold majority shareholding after the completion of the Issue.**

After completion of the Issue, our Promoter and members of the Promoter Group will collectively own a majority of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us 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 and our AOA. 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 Promoter 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 minority 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.

#### 19. We have experienced negative cash flows in the past.

Our Company had negative cash flows from our operating activities and investing activities in some of the previous year(s) as per the Restated Standalone Financial Statements and from investing activities in the previous year as per the Restated consolidated Financial Statements and the same are summarized as under:

#### Restated Standalone Financial Statements -

(Rs. In Lakhs)

Particulars	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Cash Flow from/ (used in) Operating Activities	402.51	(828.46)	1,422.94	(9.82)
Cash Flow from/ (used in) Investing Activities	65.69	(2,353.24)	(2,352.52)	-
Cash Flow from/ (used in) Financing Activities	(523.70)	3,239.92	932.90	10.00

#### Restated Consolidated Financial Statements -

(Rs. In Lakhs)

Particulars	As on September 30, 2022	As on March 31, 2022
Cash Flow from/ (used in) Investing Activities	(1,491.68)	(8,737.34)
Cash Flow from/ (used in) Financing Activities	(447.37)	5,402.20

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow in future, it may adversely affect our business and financial operations.

#### 20. There may be potential conflict of interests between our company with proprietary concern and other venture promoted by our promoter or directors.

M/s. VELs Film International, a sole proprietary concern of our Promoter and Managing Director and a member of Promoter Group, indirectly competes with our film production business. We cannot be assured that we shall be able to adopt necessary measures for mitigating these conflicts and hence the same if not managed well, could adversely affect our results of operations and financial condition. Also, our Company does not have any non-compete or such other agreement / arrangement with the above said proprietorship. For further details, please refer to the chapters titled “Our Group Entities” beginning on page no. 128.

#### 21. The deployment of funds raised through this Issue shall not be subject to any monitoring agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than 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 Issue. Therefore, the deployment of these funds raised through this Issue is at the discretion of the management and the Board of



Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results.

**22. Certain agreements may not be adequately stamped or may not have been registered as a result of which our operations may be impaired.**

Few of our agreements may not be adequately stamped or registered. The effect of inadequate stamping is that the document may not be admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, may make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis non-compliance of local laws relating to stamp duty and registration may adversely impact the continuity of our business activity.

**23. 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 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 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.

**24. We cannot guarantee the accuracy or completeness of the facts and other statistics with respect to India, the Indian economy and film entertainment sector contained in this Prospectus.**

While facts and other statistics in this Prospectus relating to India, the Indian economy and the film entertainment sector have been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us, the LM or any of our respective affiliates or advisors and therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "Industry Overview" beginning on page 78. Due to possibly flawed 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, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**25. We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in increase in the value of your investment.**

We intend to primarily use the Net Proceeds as described under chapter titled "*Objects of the Issue*" beginning on page 67. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management.

Further, pursuant to section 27 of the Companies Act any variation in the objects for which the Draft Prospectus was issued would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects in accordance with Chapter VI-A of the SEBI ICDR Regulations. In the event of any such variation in the objects, the Promoter or controlling shareholders will provide an exit opportunity to such dissenting shareholders in accordance with the applicable provisions of SEBI ICDR Regulations.

Further, pending utilization of the Net Proceeds, we are required to deposit the Net Proceeds for any interim period only in scheduled commercial banks listed under Schedule II of the Banking Regulation Act, 1949. We cannot assure you that we will earn significant interest income on such deposits.

**26. We may face competition from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on our business and results of operations.**

We compete directly and indirectly with other film production houses for accessing the talent and producing comparatively better regional films primarily Tamil. Increased competition may force us to access talents, hire actors at higher prices, which may adversely affect our profitability and market share. Some of our competitors may have greater capital, marketing and other resources, which may enable them to commit larger amounts of capital in response to changing market conditions, or to anticipate the course of market developments and trends more effectively than we do and develop capabilities that may render our processes obsolete or put us at a disadvantage. We may also face competition from new entrants in the market. Any exclusive arrangements between actors, directors, etc. and our competitors may also hamper our operations.

We believe that it is difficult to predict how the competitive landscape of our industry will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include timely delivery of films, star cast and general customer experience.

**27. Our insurance may not be sufficient to cover risks.**

We have recently started maintaining insurance for our films. For instance, our upcoming film *Singapore Saloon* is covered by Bajaj Allianz General Insurance Company Ltd through its product 'Entertainment Package Policy' for 5 months of production ending February 15, 2023. As on the date of this Prospectus, we do not have insurance for all our upcoming films. However, we will put efforts to insure the films in which we feel that insurance is necessary. Nevertheless, there can be no assurance that in the future we will be able to maintain insurance of the required types or at various levels or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits, could result in unforeseen liabilities and losses. Further, despite such unforeseen losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such unforeseen losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

**28. Our ability to pay dividends in the future will depend, inter alia, upon available financial resources, investment requirements and taking into account optimal shareholder returns.**

Our ability to pay dividends to our shareholders in the future will depend, inter alia, upon available financial resources, investment requirements and taking into account optimal shareholder returns. For details of the dividends paid by our Company, please refer to chapter titled "Dividend Policy" on page 135. There is no guarantee that as any dividend will be declared or paid by our Company in the future.

**29. Significant differences exist between Indian GAAP and Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.**

Our Financial Statements included in this Prospectus are prepared and presented in conformity with Indian GAAP, and in each case, restated in accordance with the requirements of section 26 of the Companies Act read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2016)" issued by the ICAI. Indian GAAP differs from Ind AS and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP.

**30. We are exposed to risks associated with foreign exchange rate fluctuations.**

Our revenue from exports for the period ending on September 30, 2022, F.Y. 2021-22 and FY 2020-21 has been Rs. 163.13 lacs, Rs. 251.25 lacs and Rs. 24.79 lacs respectively which constituted 3.67%, 9.50% and 0.95% of our revenue from operations in the respective periods on Standalone basis and for the period ending on September 30, 2022 and F.Y. 2021-22 has been Rs.163.13 and Rs. 251.26 respectively constituting 3.52% and 9.43% of our revenue in the respective period on consolidated basis. Our global export footprint exposes us to foreign exchange rate risks, arising primarily from our receivables and export of products/ services. There can be no guarantee that



such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher.

**31. Delays or defaults in client payments could affect our operations.**

We may be subject to working capital risks due to delays or defaults in payment by distribution houses, which may restrict our ability to function efficiently and make payments to others when due. In addition, any delay or failure on our part to produce the films, within the time stipulated by agreements, if pre-signed, to our clients may in turn cause delay in payment or refusal of payment by the client. Such defaults/delays by our clients in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

**32. Our Subsidiary have incurred losses in past and some of the Group Entities have operating losses.**

Our Subsidiary have incurred losses in past and some of the Group Entities also have operating losses. In future these conditions may continue and could adversely affect the results of operations and financial conditions of our subsidiary and group entities and our promoter also. Any operating losses/negative net worth could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse affect on our operations and financials. For more information, regarding the Company, please refer chapter titled “*Our Group Entities*” beginning on page 128.

**33. Loans availed by Our Company from our Promoter and other Group Entities are unsecured and payable on demand.**

Our Group Entities have provided unsecured long-term and short-term loans to our company that are payable on demand. In case of a default on our behalf or a need of funds by such group entities, the loans may be asked to be repaid. This could negatively impact our operations and profitability. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse affect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate borrowings from other lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Financial Indebtedness*” on page 137.

**34. We may not be able to sustain effective implementation of our business and growth strategy.**

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

**35. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.**

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 72. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**36. Additional issuances of equity may dilute your holdings and sales by our Promoter could adversely affect the market price of our Equity Shares.**

Sales of a large number of our Equity Shares by our Promoter could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares. Any future issuance of our Equity Shares or securities linked to our Equity Shares, such as ESOPs, etc. may dilute your shareholding in our Company as well as the holdings of our existing shareholders. Similarly, sales of our Equity Shares by a major shareholder may adversely affect the trading price

of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Under the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), listed companies in our category are required to maintain public shareholding of at least 25.00% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010 and the notification of the Ministry of Finance, Government of India dated August 9, 2010, the SCRR were amended to define public shareholding as to refer to persons other than a company's promoter and promoter group and subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas.

## EXTERNAL RISK FACTORS

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, famine, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Our operations may be adversely affected by natural disasters and/or severe weather conditions, which can result in damage to our seeds inventory and hamper our productivity and may slow down our business operations temporarily or any other factor, which can adversely affect agriculture market in which we operate. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

### **38. The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.**

During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

**39. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.**

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse affect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse affects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis, wars and fluctuations in the stock markets across the globe and further deterioration of credit conditions in the Asian, U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "*Government and Other Approvals*" on page 153 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in 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 implementation of the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, any future amendments to Goods and Services Tax (GST) may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

**41. Our performance is linked to the stability of policies and the political situation in India.**

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. 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. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a

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

**43. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.**

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer 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 rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**44. If certain labour laws become applicable to us, our profitability may be adversely affected.**

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

## SECTION IV – INTRODUCTION

### THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	Up to 34,08,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 99.00/- per Equity Share aggregating to Rs.3,373.92 lakhs.
<b>Fresh Issue Consisting of</b>	
Issue Reserved for Market Maker	1,72,800 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 99.00/- per Equity Share aggregating Rs. 171.07 Lakhs.
Net Issue to the Public	32,35,200 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 99.00/- per Equity Share aggregating Rs. 3,202.85lakhs.
	of which:
	16,17,600 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 99.00/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs
	16,17,600 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 99.00/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre Issue &amp; Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	95,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,29,08,000 Equity Shares
Objects of the Issue	See the chapter titled “ <i>Objects of the Issue</i> ” on page 67.

Notes:

(1) This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please see the chapter titled “Issue Structure” beginning on page 170.

(2) The present Issue has been authorized pursuant to a resolution of our Board dated September 09, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on September 16, 2022.

(3) Since present offer is a Fixed Price Offer, the allocation in the Net Offer to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to
  - i). individual applicants other than Retail Individual Investors; and
  - ii). Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

- c) *The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

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

For details, including in relation to grounds for rejection of Applications, refer to “*Issue Structure*” and “*Issue Procedure*” beginning on page 170 and 172 respectively. For details of the terms of the Issue, see “*Terms of the Issue*” beginning on page 164.

**SUMMARY OF FINANCIAL STATEMENTS**  
**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS**

<b>Annexure 1: Restated Consolidated Summary Statement of Assets &amp; Liabilities</b>			
<i>(Rupees in lakhs)</i>			
<b>Particulars</b>	<b>Annex. No</b>	<b>As at 30<sup>th</sup> September 2022</b>	<b>As at 31st March 2022</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	5	950.00	950.00
Reserves and surplus	6	1,063.42	929.42
Minority Interest	7	(44.08)	(18.84)
<b>Non-Current Liabilities</b>			
Long-term borrowings	8	4,583.94	4,803.21
Deferred tax liabilities (Net)	12	0.05	-
<b>Current Liabilities</b>			
Short-term borrowings	8	1,241.52	2,524.50
Trade payables	9	1,209.21	1,057.99
Other current liabilities	10	5,615.53	1,843.78
<b>TOTAL</b>		<b>14,619.59</b>	<b>12,090.06</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11		
Tangible Assets		2,719.83	2,718.13
Intangible assets		62.20	60.52
Capital Work-in-progress		2,272.14	882.62
Deferred tax assets (net)	12	-	0.13
Long-term loans and advances			-
Other Non-Current Assets	13	151.42	241.37
<b>Current Assets</b>			
Short-term loans and advances	14	3.65	3.58
Other current assets	15	5,524.49	2,578.41
Trade receivables	16	860.67	1,892.08
Inventories	17	3,012.13	3,646.36
Cash and bank balances	18	13.06	66.86
<b>TOTAL</b>		<b>14,619.59</b>	<b>12,090.06</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4, 2, 3.			



<b>Annexure 2: Restated Consolidated Summary Statement of Profit &amp; Loss</b>			
<i>(Rupees in lakhs)</i>			
<b>Particulars</b>	<b>Annex. No</b>	<b>For the year ended 30<sup>th</sup> September 2022</b>	<b>For the year ended 31st March 2022</b>
<b>Revenue</b>			
Revenue from operations	19	4,624.27	2,662.06
Other income	20	94.70	55.86
<b>Total Revenue</b>		<b>4,718.97</b>	<b>2,717.92</b>
<b>Expenses</b>			
Direct Cost	21	3,183.18	2,989.53
Purchases of stock-in-trade			
Changes in inventories of work-in-progress	21A	634.23	(1,341.36)
Employee benefit expenses	22	92.40	49.73
Finance costs	23	202.86	332.17
Depreciation and amortization expense	11	98.79	144.38
Other expenses	24	297.96	56.18
<b>Total Expenses</b>		<b>4,509.41</b>	<b>2,230.63</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>209.56</b>	<b>487.29</b>
Exceptional/Prior Period Items		-	-
<b>Profit Before Tax</b>		<b>209.56</b>	<b>487.29</b>
<b>Tax Expense:</b>			
(a) Current Tax Expense for the year		100.62	114.00
(b) Deferred Tax	12	0.18	48.02
<b>Profit (Loss) for the period before Minority Interest</b>		<b>108.77</b>	<b>325.27</b>
Minority's share of interest		(25.24)	(12.95)
<b>Profit/(Loss) for the Period</b>		<b>134.00</b>	<b>338.23</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure 4, 1, 3.			

Annexure 3: Restated Consolidated Summary Statement of Cash Flow Statement				
(Rupees in lakhs)				
Particulars	For the period ended 30 <sup>th</sup> September 2022		For the year ended 31 <sup>st</sup> March 2022	
<b>Cash Flow from Operating Activities</b>				
Net Profit before Tax and Extra-ordinary Items*		234.80		929.42
Adjustments for:				
Depreciation	98.79		5,076.06	
Interest and Finance Charges	202.86		332.17	
		301.65		5,408.23
<b>Operating Profit Before Working Capital Change</b>		536.44		6,337.65
Adjustments For				
(Increase) / Decrease in Inventory	634.23		(3,646.36)	
(Increase) / Decrease in Trade Receivables	1,031.41		(1,892.08)	
(Increase) / Decrease in short term loans and advances	(0.07)		(3.58)	
(Increase) / Decrease in Other Non-Current Assets	89.95		(241.50)	
(Increase) / Decrease in Other Current Assets	(2,946.08)		(2,578.41)	
(Increase) / Decrease in Loans and Advances	-		-	
Increase / (Decrease) in Trade payables	151.22		1,057.99	
Increase / (Decrease) in other Current Liabilities	3,771.75		1,843.78	
Increase / (Decrease) in short term borrowings	(1,282.98)		2,524.50	
Increase / (Decrease) in short term provisions	-			
		1,449.42		(2,935.52)
Income Tax paid/ provision		(100.62)		-
<b>Net Cash Used in/ from operating Activities (A)</b>		<b>1,885.25</b>		<b>3,402.12</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment and Intangible Assets	(1,491.68)		(8,737.34)	
Investment in securities	-		-	
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(1,491.68)</b>		<b>(8,737.34)</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from issue of shares	-		950.00	
Proceeds from borrowings	(219.28)		4,803.21	
Increase/(Decrease) in Minority Interest	(25.24)		(18.84)	
Financing Charges paid	(202.86)		(332.17)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(447.37)</b>		<b>5,402.20</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>		<b>(53.80)</b>		<b>66.86</b>
Cash and Cash Equivalents at the beginning of the year		66.86		-
Cash and Cash Equivalents at the end of the year		13.06		66.86
<b>Net Cash and Cash Equivalents</b>				
Cash and cash Equivalents as above		13.06		66.86
Cash and Bank Balances		13.06		66.86

## SUMMARY OF STANDALONE FINANCIAL STATEMENTS

Annexure 1: Restated Standalone Summary Statement of Assets & Liabilities					
(Rupees in lakhs)					
Particulars	Annex. No	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Equity and Liabilities</b>					
<b>Shareholders' Funds</b>					
Share capital	5	950.00	950.00	950.00	10.00
Reserves and surplus	6	1,360.28	1,060.67	591.19	(1.33)
<b>Non-Current Liabilities</b>					
Long-term borrowings	7	3,251.24	3,572.09	-	-
Deferred tax liabilities (Net)	12	0.05	-	-	-
<b>Current Liabilities</b>					
Short-term borrowings	7	1,092.19	2,221.95	-	-
Trade payables	8	1,104.72	990.78	204.60	23.78
Other current liabilities	9	5,399.15	1,820.90	2,128.35	759.53
Short term provisions	10	-	-	70.54	-
<b>TOTAL</b>		<b>13,157.62</b>	<b>10,616.39</b>	<b>3,944.68</b>	<b>791.98</b>
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	11				
(i) Tangible Assets		26.03	2.69	0.16	-
(ii) Capital Work-in progress		-	-	-	-
(iii) Intangible assets		-	-	-	-
Deferred tax assets (net)	12	-	0.13	48.15	-
Non-current investments	13	2,439.59	2,439.59	2.50	-
Long-term loans and advances	14	3,903.11	1,981.08	2,449.73	100.00
<b>Current Assets</b>					
Short-term loans and advances	14	3.65	3.58	10.23	0.93
Other current assets	15	4,173.31	1,785.76	282.00	18.07
Trade receivables	16	779.88	1,881.78	29.71	-
Inventories	17	1,825.84	2,460.06	1,118.71	672.80
Cash and bank balances	18	6.22	61.72	3.50	0.18
<b>TOTAL</b>		<b>13,157.62</b>	<b>10,730.39</b>	<b>4,121.84</b>	<b>791.98</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4, 2, 3.					

Annexure 2: Restated Standalone Summary Statement of Profit & Loss					
(Rupees in Lakhs)					
Particulars	Annex. No	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Revenue</b>					
Revenue from operations	19	4,445.16	2,644.25	2,601.37	-
Other income	20	116.13	91.58	-	-
<b>Total Revenue</b>		<b>4,561.29</b>	<b>2,735.83</b>	<b>2,601.37</b>	<b>-</b>
<b>Expenses</b>					
Direct Costs	21	3,183.18	3,018.78	2,215.75	672.80
Purchases of stock-in-trade		-	-	-	-
Changes in inventories of work-in-progress	21A	634.23	(1,341.36)	(445.91)	(672.80)
Employee benefit expenses	22	31.30	18.37	13.56	-
Finance costs	23	202.86	332.17	7.10	-
Depreciation and amortization expense	11	1.64	1.00	0.13	-
Other expenses	24	107.68	75.38	18.67	1.33
<b>Total Expenses</b>		<b>4,160.88</b>	<b>2,104.34</b>	<b>1,809.30</b>	<b>1.33</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>400.41</b>	<b>631.49</b>	<b>792.07</b>	<b>(1.33)</b>
Exceptional/Prior Period items		-	-	-	-
<b>Profit Before Tax</b>		<b>400.41</b>	<b>631.49</b>	<b>792.07</b>	<b>(1.33)</b>
Tax expense:					
(a) Current Tax Expense for the year		100.62	114.00	247.70	-
(b) Deferred Tax		0.18	48.02	(48.15)	-
<b>Profit (Loss) for the period</b>		<b>299.61</b>	<b>469.48</b>	<b>592.52</b>	<b>(1.33)</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure 4, 1, 3.					

**Annexure 3: Restated Standalone Summary Statement of Cash Flow Statement**
*(Rupees in lakhs)*

Particulars	2021-22		2020-21		2019-20		2019-20	
<b>Cash Flow from Operating Activities</b>								
<b>Net Profit before Tax and Extra-ordinary Items</b>		400.41		631.49		792.07		(1.33)
<b>Adjustments for</b>								
Depreciation	1.64		1.00		0.13		-	
Interest and Finance Charges	202.86		332.17		7.10			
Interest Income	(90.67)		(87.39)					
		113.83		245.78		7.23		-
<b>Operating Profit Before Working Capital Change</b>		514.24		877.28		799.30		(1.33)
<b>Adjustments For</b>								
(Increase) / Decrease in Inventory	634.23		(1,341.36)		(445.91)		(672.80)	
(Increase) / Decrease in Trade Receivables	1,101.90		(1,852.07)		(29.71)		-	
(Increase) / Decrease in short term loans and advances	(0.07)		6.65		(9.31)		(0.93)	
(Increase) / Decrease in Non-Current Assets	(1,922.03)		468.65		-		(100.00)	
(Increase) / Decrease in Current Assets	(2,387.55)		(1,574.30)		(441.09)		(18.07)	
Increase / (Decrease) in Creditors	113.94		786.18		180.83		23.78	
Increase / (Decrease) in other Current Liabilities	3,578.24		(307.45)		1,845.81		-	
Increase / (Decrease) in short term borrowings	(1,129.76)		2,221.95		(476.98)		-	
Increase / (Decrease) in short term provisions	-				247.70		759.53	
		(11.11)		(1,591.74)		871.34		(8.50)
Income Tax Paid/ Provision		(100.62)		(114.00)		(247.70)		-
<b>Net Cash Used in/ from Operating Activities (A)</b>		<b>402.51</b>		<b>(828.46)</b>		<b>1,422.94</b>		<b>(9.82)</b>
<b>Cash Flow from Investing Activities</b>								
Purchase of Property, Plant and Equipment and Intangible Assets	(24.98)		(3.53)		(0.29)		-	
Investment in securities	-		(2,437.09)		(2,352.23)		-	
Interest received on loans given	90.67		87.39					

<b>Net Cash Flow from Investing Activities (B)</b>		<b>65.69</b>		<b>(2,353.24)</b>		<b>(2,352.52)</b>		<b>-</b>
<b>Cash Flow from Financing Activities</b>								
Proceeds from issue of shares	-		-		940.00		10.00	
Proceeds from borrowings	-		3,572.09		-		-	
Repayment of borrowings	(320.84)				-			
Financing Charges paid	(202.86)		(332.17)		(7.10)		-	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(523.70)</b>		<b>3,239.92</b>		<b>932.90</b>		<b>10.00</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>								
<b>(A)+(B)+(C)</b>		<b>(55.50)</b>		<b>58.22</b>		<b>3.32</b>		<b>0.18</b>
Cash and Cash Equivalents at the Beginning of the year		61.72		3.50		0.18		-
Cash and Cash Equivalents at the end of the year		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
<b>Net Cash and Cash Equivalents</b>								
Cash and cash Equivalents as above		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
Cash and Bank Balances		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure 4, 1, 2.								

## GENERAL INFORMATION

Our Company was originally incorporated in Chennai as "VELS Film International Limited" on October 25, 2019 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identity Number of our Company is U74999TN2019PLC132235.

For further details, please refer to chapter titled '*Our History and Certain Other Corporate Matters*' beginning on page 100.

### REGISTERED OFFICE

**VELS Film International Limited**

No, 521/2 Anna Salai Nandanam,  
Chennai-600035, Tamil Nadu, India

**Tel No.:** 044 24315541/ 542

**E-mail:** info@velsfilminternational.com

**Website:** www.velsfilminternational.com

### REGISTRAR OF COMPANIES

**Registrar of Companies, Chennai**

Block No.6, B Wing 2nd Floor,  
Shastri Bhawan 26, Haddows Road,  
Chennai – 600 034, Tamil Nadu

**Tel:** 044-28270071

**E-mail:** roc.chennai@mca.gov.in

### DESIGNATED STOCK EXCHANGE

**National Stock Exchange of India Limited**

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

**Tel No.:** 022 – 2659 8100/ 8114

**Website:** www.nseindia.com

### BOARD OF DIRECTORS

Sr. No.	Name	Age	DIN	Address	Designation
1.	Dr. Ishari Kadhivelan Ganesh	55	00269445	5/109D, Bharathi Avenue, Injambakkam, Kancheepuram, Tamil Nadu – 600 115, India	Managing Director
2.	Dr. Arthi Ganesh	48	00568101	5/109D, Bharathi Avenue, Injambakkam, Kancheepuram, Tamil Nadu – 600 115, India	Non-Executive Director
3.	Ms. Preethaa Ganesh	25	07105539	5/109D, Bharathi Avenue, Injambakkam, Kancheepuram, Tamil Nadu – 600 115, India	Non-Executive Director
4.	Mr. Sankara Mudaliar Jagadeesan	80	01799607	Old No. 23, New NO.53, 3 <sup>rd</sup> Main Road, Gandhi Nagar, Adyar, Chennai – 600 020, Tamil Nadu, India	Independent Director
5.	Ms. Sangeetha Santharam	42	07567200	Old No 236, New No. 08, 6 <sup>th</sup> Street, Janaki Nagar, Valasaravakkam, Chennai – 600 087, Tamil Nadu, India	Independent Director



6.	Mr. Thummala Gangatharan Balaji	56	00580819	22/10, Balaji Nagar, 4 <sup>th</sup> Street, Royapettah, Chennai – 600 014, Tanil Nadu, India	Independent Director
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For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 103.

#### CHIEF FINANCIAL OFFICER

**Mr. Ganesan Thiagarajan**

No, 521/2 Anna Salai Nandanam,  
Chennai-600035, Tamil Nadu, India

**Tel No.:** 044 24315541/ 542

**E-mail:** info@velsfilminternational.com

**Website:** www.velsfilminternational.com

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mrs. Sampath Kumar Sujatha**

No, 521/2 Anna Salai Nandanam,  
Chennai-600035, Tamil Nadu, India

**Tel No.:** 044 24315541/ 542

**E-mail:** info@velsfilminternational.com

**Website:** www.velsfilminternational.com

#### INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

#### LEAD MANAGER TO THE ISSUE

**KHAMBATTA SECURITIES LIMITED**

C-42, South Extension Part II,  
New Delhi-110049

**Tel:** 011-41645051

**Email:** ipo@khambattasecurities.com

**Investor Grievance Email:** mbcomplaints@khambattasecurities.com

**Website:** www.khambattasecurities.com

**Contact Person:** Mr. Vipin Aggarwal; Mr. Vinay Pareek

**SEBI Registration No.:** INM000011914

#### REGISTRAR TO THE ISSUE

**CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building, No. 1 Club House Road,  
Chennai-600002, Tamil Nadu, India

**Tel:** 044 - 40020700

**Email:** priya@cameoindia.com

**Website:** www.cameoindia.com

**Contact Person:** Mr. K. Sreepriya  
**SEBI Registration No:** INR000003753

#### LEGAL ADVISOR TO THE ISSUE

**Mr. Sureshsampath**  
143, Additional Law Chamber,  
High Court Buildings, Chennai – 600 104,  
Tamil Nadu, India  
**Tel:** 9444005200  
**Email:** sureshsampath.advocate@gmail.com

#### BANKER TO THE COMPANY

**Bank of Baroda**  
New No 60 Old No 36,  
VK Iyer Road, RA Puram,  
Chennai- 600028,  
Tamil Nadu, India  
**Tel:** 044-23454297/298  
**E-mail:** rknaga@bankofbaroda.co.in  
**Contact Person:** K Ramkumar

#### BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK

**Kotak Mahindra Bank Limited**  
Kotak Infiniti, 6<sup>th</sup> Floor, Building No. 21,  
Infinity Park, Off Western Express Highway,  
General AK Vaidya Marg, Malad (East), Mumbai – 400097  
Maharashtra, India.  
**Tel:** 022-66056588  
**E-mail:** cmsipo@kotak.com  
**Website:** www.kotak.com  
**Contact Person:** Mr. Siddhesh Shirodkar  
**SEBI Regn.:** INBI00000927

#### STATUTORY AUDITORS CUM PEER REVIEWED AUDITORS

**S R B R & Associates LLP**  
**Chartered Accountants**  
Romar House, Chamber 3rd Floor 6/9,  
Old No. 15/9, Jaganathan Road,  
Nungambakkam, Chennai-600034,  
Tamil Nadu, India.  
**Tel:** +91 9444393420  
**Firm Registration No.:** 004997S/S200051  
**Peer Review Certificate No:** 013357  
**Contact Person:** Mr. R. Sundararajan  
**Membership No.:** 029814  
**Email:** sundar@srbr.in

#### STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

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

#### DESIGNATED INTERMEDIARIES:

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

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the above mentioned SEBI link.

### **Syndicate SCSB Branches**

In relation to ASBA Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

Since our Issue size does not exceed one hundred crore rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Issue. 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 Issue.

## **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on NSE Emerge.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus has not been submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 and Section 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Chennai, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600 034, Tamil Nadu at least (3) three working days prior from the date of opening of the Issue.

#### APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

#### TYPE OF ISSUE

The present Issue is considered to be 100% Fixed Price Issue.

#### GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for 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 (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from SME Platform of National Stock Exchange (EMERGE), which our Company shall apply for after Allotment. If our Company \ withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

#### EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, **S R B R & Associates LLP.**, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated July 06, 2022 and the Statement of Special Tax Benefits dated July 06, 2022 issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 and as "Expert" as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

#### CHANGES IN AUDITORS

Our Company has appointed S R B R & Associates LLP (formerly called M/S Sundarajan Associates LLP), Chartered Accountants, as its first statutory auditors on November 04, 2019. There has been no change in our statutory auditors since the date of incorporation.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Khambatta Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated February 10, 2023, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>KHAMBATTA SECURITIES LIMITED</b> C-42, South Extension Part II, New Delhi-110049 <b>Tel:</b> 011-41645051 <b>Email:</b> ipo@khambattasecurities.com <b>Investor Grievance Email:</b> mbcomplaints@khambattasecurities.com <b>Website:</b> www.khambattasecurities.com <b>Contact Person:</b> Mr. Vipin Aggarwal; Mr. Vinay Pareek <b>SEBI Registration No.:</b> INM000011914	Up to 34,08,000	33,73,92,000	100.00%
<b>Total</b>	<b>Up to 34,08,000</b>	<b>33,73,92,000</b>	<b>100.00%</b>

*\*Includes up to 1,72,800 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Issue has been 100% underwritten and shall not restrict to the minimum subscription level. As per Regulation 260 of SEBI ICDR Regulations the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue (Including the Market Maker Reservation portion) out of its own account and the remaining shall be underwritten by Lead Manager.

## MARKET MAKER

**SS Corporate Securities Limited**  
NDM-2, Block-D, 3<sup>rd</sup> Floor, Netaji Subhash Place  
Pitampura, Delhi – 110034, India  
**Tel:** 011 – 47003600  
**Email:** harshit@ssc corporate.com  
**Contact Person:** Mr. Harshit Singhal  
**SEBI Regn. No.:** INZ000219533

## DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated February 25, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

SS Corporate Securities Limited, registered with NSE Emerge will act as the Market Maker and has agreed to receive or deliver of 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 any amendment to SEBI ICDR Regulations.

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

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

- ❖ The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- ❖ The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
- ❖ The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to issue their holding to the Market Maker 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. Based on the IPO price of Rs. 99.00/- per share the minimum lot size is 1,200 Equity Shares thus minimum depth of the quote shall be Rs. 1,18,800 until the same, would be revised by NSE.
- ❖ After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- ❖ 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.
- ❖ 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. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
- ❖ 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.
- ❖ The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
- ❖ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- ❖ There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- ❖ The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- ❖ 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.
- ❖ The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.



- ❖ The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
- ❖ In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company 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.
- ❖ Risk containment measures and monitoring for Market Maker: NSE Emerge Platform will have all margins which are applicable on the 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.
- ❖ Punitive Action in case of default by Market Maker: 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 in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- ❖ Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs.250 Crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

- ❖ The following spread will be applicable on the NSE Emerge:

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

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

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

- ❖ The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.
- ❖ All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
- ❖ On the first day of listing, there will be a pre-open session (call auction) and there after 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. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

#### WITHDRAWAL OF THE OFFER

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for 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 (2) 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 Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from National Stock Exchange, which our Company shall apply for after Allotment. If our Company \ withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## CAPITAL STRUCTURE

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

*(Rs. In lakhs except share data)*

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,00,00,000 Equity Shares of face value of Rs. 10/- each	2,000.00	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	95,00,000 fully paid up Equity Shares of face value of Rs. 10/- each	950.00	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF DRAFT PROSPECTUS*</b>		
	34,08,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 89.00/- per Equity Share	340.80	3,373.92
	Which comprises of		
	1,72,800 Equity Shares of face value of Rs.10/- each at a premium of Rs. 89.00/- per Equity Share reserved as Market Maker portion	17.28	171.07
	Net Issue to Public of 32,35,200 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 89.00/- per Equity Share to the Public	323.52	3,202.85
	Of which		
	16,17,600 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 89/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs	161.76	1601.42
	16,17,600 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 89.00/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs	161.76	1601.42
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	1,29,08,000 Equity Shares of face value of Rs. 10/- each	1,290.8	
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		Nil

After the Issue	3033.12
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*\*The Issue has been authorized pursuant to a resolution of our Board dated September 09, 2022 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on September 16, 2022.*

The Company has single classes of share capital i.e. Equity Shares of face value of Rs.10/- each. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE:

##### 1. Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

(a) The authorized share capital of our Company on incorporation was ₹ 10,00,000/- divided into 1,00,000 Equity Shares of ₹10/- each.

(b) The Authorized Capital was further increased from ₹10,00,000/- divided into 1,00,000 Equity Shares of ₹10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- vide shareholders' resolution dated March 03, 2021.

(c) The Authorized Capital was further increased from ₹10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each to ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹10/- vide shareholders' resolution dated March 28, 2022.

##### 2. Equity Share Capital History:

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

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
Upon Incorporation	1,00,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	1,00,000	10,00,000
March 9, 2021	94,00,000	10	10	Conversion of loan to equity shares at face value.	Consideration other than cash.	94,00,000	95,00,000

<sup>(1)</sup> Initial Subscribers to Memorandum of Association hold 1,00,000 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dr. Ishari Ganesh Kadhivelan	36,000
2.	Dr. Arthi Ganesh	36,000
3.	Ms. Preethaa Ganesh	9,000
4.	Ms. Pushpavelan	9,000
5.	Ms. Kushmitha Kadhivelan Ganesh	9,000

Sr. No	Name of Person	No. of Shares Allotted
6.	Ms. Kamala Kannan Ashwin Kumar	500
7.	Ms. Nithya Kalyani	500
	<b>Total</b>	<b>1,00,000</b>

3. Our company has not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

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

5. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves

6. We have not issued any equity shares in last one year at price below Issue Price.

7. Details of shareholding of Promoter.

• **Dr. Ishari Kadhivelan Ganesh**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	No. of Shares Pledged	% of Shares Pledged
Incorporation	36,000	10	10	Subscription to MOA	0.38%	0.28%	-	0.00%
March 09, 2021	94,00,000	10	10	Conversion of loan to equity shares at face value.	98.95%	72.82%	-	0.00%
<b>Total</b>	<b>94,36,000</b>				<b>99.33%</b>	<b>73.10%</b>	<b>-</b>	<b>0.00%</b>

8. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months.

9. Our Promoter have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoter have 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.

10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed 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 Exchanges.

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

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Offer Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Offer. As on date of this Prospectus, our Promoter holds 94,36,000 Equity Shares constituting 73.10% of the Post Offer Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoter has granted consent to include such number of Equity Shares held by him as may constitute 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 Prospectus until the commencement of the lock-in period specified below.

Date of allotment & Date when made fully paid up	No. of Shares used for Lock-in	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Dr. Ishari Kadhivelan Ganesh</b>					
March 09, 2021	25,82,400	10	10	Conversion of loan to equity shares at face value.	20.01%
<b>Total</b>	<b>25,82,400</b>				<b>20.01%</b>

The Equity Shares above that will be locked-in with the Depositories are not, and will not be, ineligible for computation of Promoter's Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Prospectus 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 or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution.
- The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this offer is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- The Equity Shares in Promoter's Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Specific written consent has been obtained from the Promoter for inclusion of 25,82,400 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.01 % of post offer Paid-up Equity Share Capital from the date of allotment in the public Offer.

The minimum Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI ICDR Regulations.

#### ***Equity Shares locked-in for one year other than Minimum Promoter's Contribution***

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoter's contribution for three years, all pre-offer Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

#### ***Inscription or recording of non-transferability***

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock - in period and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

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

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution or systematically important

non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a. if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan;
- b. if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

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

***Transferability of Locked in Equity Shares***

- a. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a 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 SEBI SAST Regulations as applicable.
- b. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.



10. Shareholding Pattern of our Company:

A. The table below represents the current shareholding pattern of our Company:

I. 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)  As a % of (A+B+C2)	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)  As a % of (A+B+C2)	Number of locked in Shares **		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form ***
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class - (Equity)	Class- (Preference)	Total								
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	95,00,000	-	-	95,00,000	100.00	95,00,000	-	95,00,000	100.00	-	100.00	95,00,000	100.00	-	-	100.00

(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
	<b>Total</b>	<b>7</b>	<b>95,00,000</b>	<b>-</b>	<b>-</b>	<b>95,00,000</b>	<b>100.00</b>	<b>95,00,000</b>	<b>-</b>	<b>95,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>95,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

*\*As on the date of this Prospectus 1 Equity Share holds 1 vote. There is no voting right on the preference shares issued by our company.*

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*

## B. Shareholding of our Promoter and Promoter Group

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

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)
	<b>Promoter</b>				
1	Dr. Ishari Kadhivelan Ganesh	94,36,000	99.33%	94,36,000	73.10%
	<b>Promoter Group</b>				
1	Dr. Arthi Ganesh	36,000	0.38%	36,000	0.28%
2	Ms. Preethaa Ganesh	9,000	0.09%	9,000	0.07%
3	Ms. Pushpavelan	9,000	0.09%	9,000	0.07%
4	Ms. Kushmitha Kadhivelan Ganesh	9,000	0.09%	9,000	0.07%
5	Ms. Kamala Kannan Ashwin Kumar	500	Negligible	500	Negligible
6	Ms. Nithya Kalyani	500	Negligible	500	Negligible
	<b>Total</b>	<b>95,00,000</b>	<b>100.00%</b>	<b>95,00,000</b>	<b>73.52%</b>

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Dr. Ishari Kadhivelan Ganesh	94,36,000	10

11. 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 Prospectus**

Sr. No	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhivelan Ganesh	94,36,000	99.33%
	<b>Total</b>	<b>94,36,000</b>	<b>99.33%</b>

- Ten days prior to the date of this Prospectus.**

Sr. No	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
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1.	Dr. Ishari Kadhirvelan Ganesh	94,36,000	99.33%
<b>Total</b>		<b>94,36,000</b>	<b>99.33%</b>

- One Year prior to the date of this Prospectus.

Sr. No	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhirvelan Ganesh	94,36,000	99.33%
<b>Total</b>		<b>94,36,000</b>	<b>99.33%</b>

- Two Years prior to the date of this Prospectus.

Sr. No	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhirvelan Ganesh	36,000	0.38%
2.	Dr. Arthi Ganesh	36,000	0.38%
3	Ms. Preethaa Ganesh	9,000	0.09%
4.	Ms. Pushpavelan	9,000	0.09%
5.	Ms. Kushmitha Kadhirvelan Ganesh	9,000	0.09%
<b>Total</b>		<b>99,000</b>	<b>1.03%</b>

#### 12. Equity Shares held by top ten shareholders.

- Our top ten shareholders and the number of Equity Shares held by them as on date of this Prospectus are as under:

Sr. No	Name of Shareholders	No Of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhirvelan Ganesh	94,36,000	99.33%
2.	Dr. Arthi Ganesh	36,000	0.38%
3	Ms. Preethaa Ganesh	9,000	0.09%
4.	Ms. Pushpavelan	9,000	0.09%
5.	Ms. Kushmitha Kadhirvelan Ganesh	9,000	0.09%
6.	Ms. Kamala Kannan Ashwin Kumar	500	Negligible
7.	Ms. Nithya Kalyani	500	Negligible
<b>Total</b>		<b>95,00,000</b>	<b>100.00%</b>

- Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Red Herring Prospectus are as under:

Sr. No	Name of Shareholders	No Of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhirvelan Ganesh	94,36,000	99.33%
2.	Dr. Arthi Ganesh	36,000	0.38%

3	Ms. Preethaa Ganesh	9,000	0.09%
4.	Ms. Pushpavelan	9,000	0.09%
5.	Ms. Kushmitha Kadhivelan Ganesh	9,000	0.09%
6.	Ms. Kamala Kannan Ashwin Kumar	500	Negligible
7.	Ms. Nithya Kalyani	500	Negligible
<b>Total</b>		<b>95,00,000</b>	<b>100.00%</b>

- Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Draft Red Herring Prospectus are as under:

Sr. No	Name of Shareholders	No Of Equity Shares	% of Pre Issued Capital
1.	Dr. Ishari Kadhivelan Ganesh	36,000	0.38%
2.	Dr. Arthi Ganesh	36,000	0.38%
3	Ms. Preethaa Ganesh	9,000	0.09%
4.	Ms. Pushpavelan	9,000	0.09%
5.	Ms. Kushmitha Kadhivelan Ganesh	9,000	0.09%
6.	Ms. Kamala Kannan Ashwin Kumar	500	Negligible
7.	Ms. Nithya Kalyani	500	Negligible
<b>TOTAL</b>		<b>1,00,000</b>	<b>1.05%</b>

13. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoter/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.

14. As on the date of this Prospectus, none of the shares held by our Promoter/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.

15. Except, as otherwise disclosed in the chapter titled "*Objects of the Issue*" beginning on page 67, we have not raised any bridge loans against the proceeds of the Issue.

16. 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 178.

17. 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.

18. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.

19. 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, as amended from time to time.

20. 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 Lead Manager and National Stock Exchange of India Limited.

21. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10.00% 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 10.00% 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

Promoter and subject to lock-in shall be suitably increased to ensure that 20.00% of the post issue paid-up capital is locked-in.

22. The Issue is being made through Fixed Price Method.

23. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

24. On the date of filing this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.

25. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

26. Lead Manager to the Issue viz. Khambatta Securities Limited and its associates do not hold any Equity Shares of our company.

27. Our Company has not revalued its assets since incorporation.

28. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.

29. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.

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

31. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.

32. We may issue further Equity shares and/or convertible securities on preferential basis for an issue size of upto Rs. 10 Crores within six months from the date of listing of this Initial Public Offer subject to the applicable provisions of SEBI ICDR Regulations and other applicable statutory approvals. Further, during such period or a later date, our company may also issue additional 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.

33. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

35. Our Promoter and the members of our Promoter Group will not participate in this Public Issue.

36. 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.

37. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.

38. Our Company has Seven (7) shareholders as on the date of filing of this Prospectus.

39. As per RBI regulations, OCBs are not allowed to participate in this Offer.

40. There are no safety net arrangements for this Public Offer.

## SECTION V – PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 34,08,000 Equity Shares of our Company at an Issue Price of Rs. 99.00 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Film production;
  2. General Corporate Purpose; and
  3. To meet the Issue Expenses
- (Collectively referred as the “Objects”)*

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. The main objects clause of our Memorandum of Association 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 object’s clause of our Memorandum.

### NET PROCEEDS

The details of the Net Proceeds are set forth below:

Sr. No.	Particulars	Amount in Lakhs
1	Gross Proceeds of the Issue	3,373.92
2	Less: Issue related expenses	60.00
	<b>Net Proceeds</b>	<b>3,313.92</b>

### FUND REQUIREMENTS

The details of our fund requirements and deployment of such funds are based on internal management estimates in view of the current circumstances of our business and are subject to change in light of variations in external circumstances or costs, competitive pressures, availability of talent, variations in viewer preferences and other external factors which may not be within our control, or otherwise as a result of changes in our financial condition, results of operations, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise our business plan from time to time and consequently our funding requirements and deployment of funds may also change. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of the Net Proceeds.

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

*(Rs. In lakhs)*

Sr. No.	Particulars	Amount
1	Film production	2,800.00
2	General Corporate Purpose	513.92
3	Issue Expenses	60.00
	<b>Total</b>	<b>3,373.92</b>

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross 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 through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

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, we intend to meet our estimated requirement from internal accruals and/or debt. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 26.

## DETAILS OF UTILIZATION OF ISSUE PROCEEDS

### 1. FILM PRODUCTION

Our Company intends to use up to Rs. 2,800.00 lakhs of the Net Proceeds solely to fund our Tamil language film projects that we intend to produce in fiscal 2023. This is in line with our growth plans and will help us expand our presence in the South Indian film industry.

Our company is a member of South Indian Film Chamber of Commerce. The company's contribution to the South Indian Film Industry is growing in fast pace particularly to the Tamil Film Industry which is the third biggest in India. Our Promoter Dr. Ishari K. Ganesh's late father Shri Isari Velan was a renowned comedian in Tamil Cinema of yesteryears and that inspired our promoter to act in several films as well.

Our Company was originally incorporated in Chennai as "VELS Films International Limited" on 25<sup>th</sup> October, 2019 and within the period of 3 years, three of our Tamil language films namely *Mookuthi Amman*, *Kutty Story* and *Vendhu Thanindhathu Kaadu* were released by distributors and we have sold rights of another two Tamil language films namely *Sumo* and *Joshua Imai Pol Kaakha*.

Following are the stages of different film projects:\*

Project Name	Language	Star Cast	Stage of Production	Tentative Completion Date of Production
Untitled (The name was 'Scary House' in Draft prospectus)	Tamil	Jiiva, Arjun & Raasi Khanna	85% Completed	FY 2024
PT Sir (This name was 'Hip Hop' in Draft Prospectus)	Tamil	Adhi	60% Completed	FY 2024
Singapore Salon	Tamil	R. J. Balaji & Meenakshi Choudary	90% Completed	FY 2024

Corona Kumar	Tamil	Aditi Shankar, Silambarasan	Initial stage	FY 2024
Chutney Sambar (The name was untitled in Draft Prospectus)	Tamil	Yogi Babu and others	Initial stage	FY 2024
Untitled	Tamil	Jayam Ravi and others	Yet to Start	FY 2024

*\*Note: All the above films are being produced under our banner i.e. VELS Film International Limited. Further, apart from above there could be other projects which are at nascent stage.*

*Note: All information for films for which production has not been completed yet is tentative and subject to change. Due to the uncertainties involved in the development and production of films, the date of their completion can be significantly delayed, planned talent can change and, in certain circumstances, films can be cancelled or not approved by the CBFC. Further, the terms of the commitments or agreements entered into for these projects (including commercial terms, star cast, nature and any other terms) may be subject to change in light of various external factors discussed in this section and in "Risk Factors" on page 26 of this Prospectus.*

*Further, the IPO proceeds of 2,800.00 Lakhs will be utilized solely for our film production business. However, due to the strict timelines of film projects we cannot ascertain as to which particular film the IPO proceeds will be utilized.*

Cost of film production includes cost of the cast, crew, shooting expenses, post-production expenses, marketing and advertising expenses. Based on our past experiences percentage wise breakup of the approximate costs for the above projects is broadly estimated as follows:

Sr. No.	Expenses	Percentage of total (%)
1	Remuneration to star cast	20.00 %
2	Cast and Crew Expenses	20.00 %
3	Shooting Expenses	40.00 %
4	Post production expenses	10.00 %
5	Marketing and advertising expenses	10.00 %
	<b>Total</b>	<b>100.00 %</b>

## 2. GENERAL CORPORATE PURPOSE

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. 513.92 towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## 3. ISSUE EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, statutory advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 60.00 Lakhs.

(Rs. in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing and payment to other intermediaries such as Registrar, Market Maker, etc.	40.00	66.66	1.18
Statutory Expenses	10.00	16.67	0.30
Marketing Expenses, Underwriting Commission and Other Expenses	10.00	16.67	0.30
<b>Total estimated Issue expenses</b>	<b>60.00</b>	<b>100.00</b>	<b>1.78</b>

## DEPLOYMENT OF FUNDS

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

(Rs. in Lakhs)

Particulars	Total Deployment	Amount already incurred*	Balance deployment during FY 2022-23 **
Film Production	2,800.00	2,800.00	Nil*
General Corporate Purpose	518.92	-	518.92
Issue Expenses	60.00	15.35	44.65
<b>Total</b>	<b>3,373.92</b>	<b>2,185.35</b>	<b>563.57</b>

\*As on January 31, 2023, our Company has incurred a sum of Rs. 15,35,002/- towards issue expenses as certified by SRBR & Associates LLP vide certificate dated February 06, 2023 having UDIN23029814BGYMP7782.

\*As on December 31, 2022, our Company has incurred a sum of Rs. 31.09 Crores towards upcoming films' production as certified by SRBR & Associates LLP vide certificate dated January 04, 2023 having UDIN 23029814BGYMSM9922. We have mentioned Rs. 28.00 Crores above because of the available deployment limit.

\*\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of issue proceeds may be interchangeable. However, the use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.

## INTERIM USE OF PROCEEDS

Pending utilization for the purposes described above, we intend to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets. 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 undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

## BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities.

## MONITORING UTILIZATION OF FUNDS

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000.00 Lakhs, in terms of Regulation 262 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

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 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 Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, 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 Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoter 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.

#### **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.

#### **OTHER CONFIRMATIONS**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and group entities, 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 Promoter, our Directors, Key Management Personnel or company promoted by the Promoter, except as may be required in the usual course of business.

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 99.00/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10.00/- per Equity Share and Issue Price is Rs. 99.00/- per Equity Share. The Issue Price is 9.90 times the face value. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is 9.90 times of the face value.

Since our company took over our Subsidiary on July 26, 2021, the financials ratios mentioned in this chapter as on March 31, 2022 and September 30, 2022 are stated on Consolidated basis.

For the purpose of making an informed investment decision, the investors should also refer “*Risk Factors*”, “*Our Business*” and “*Restated Financial Statement*” beginning on page 26, 87 and 136 respectively. The trading price of the equity shares of our company could decline due to risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computation of the Issue Price are:

- ✓ Experienced management and efficient workforce.
- ✓ Scalable business.
- ✓ Value of VELS Film International in Tamil films.
- ✓ A strong regional presence.
- ✓ Strong long-standing relationships with talent within the industry provide steady access to content and talent.

For further details, refer to the chapter titled “*Our Business*” on page 87.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Statements of the Company for the period ending September 30, 2022 and for the financial year ended on March 31, 2022, 2021, and 2020 prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations. For details, refer Chapter titled “*Restated Financial Statements*” beginning on page 136. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per share (EPS) as per Accounting Standard 20:

Year Ended	Basic & Diluted EPS (Rs.)	Weights
March 31, 2020	(1.33)	1
March 31, 2021	85.58	2
March 31, 2022	3.56	3
<b>Weighted Average</b>	<b>30.08</b>	
Six Months ended September 30, 2022	1.41	

#### Notes:

- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The figures disclosed above are based on the Restated Summary Financial Information of our Company.
- The face value of each Equity Share is Rs.10/- each.
- Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS – 20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
- Basic Earnings per share = Net profit after tax, as restated attributable to equity shareholders/Weighted average number of shares outstanding during the year.

- Diluted Earnings per share = Net profit after tax, as restated/Weighted average number of potential equity shares outstanding during the year.
- Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [Summation of (EPS x Weight) for each fiscal year]/ [Total of weights].

**2. Price to Earnings (P/E) ratio in relation to Price of Rs. 99.00 per Equity Share of Rs. 10/- each fully paid up:**

Particulars	P/E ratio
P/E ratio based on Basic and diluted EPS as at September 30, 2022	27.81
P/E ratio based on Weighted Average Basic and diluted EPS	3.29
P/E ratio based on un-annualized EPS of September 30, 2022.	70.21
<b>Industry PE*</b>	
<b>Highest</b>	NA
<b>Lowest</b>	NA
<b>Average</b>	NA

\*There are no listed companies in India that engage in a business similar to that of our Company i.e. only the production of Tamil language movies.

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

Return on Net Worth as per Restated Financial Statements is as under:

Year Ended	RoNW (%)	Weight
March 31, 2020	(15.34)	1
March 31, 2021	38.45	2
March 31, 2022	23.35	3
<b>Weighted Average</b>	21.93	
Six Months ended September 30, 2022	6.66	

Notes:

- The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year end.
- Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [Summation of (RoNW x Weight) for each fiscal year] / [Total of weights].

**4. Net Asset Value (NAV) per share of Face Value of Rs 10/- each:**

As per Restated Financial Statement

Particulars	Amount in Rs.
Net Asset Value per Equity Share as of March 31, 2020	8.67
Net Asset Value per Equity Share as of March 31, 2021	16.22
Net Asset Value per Equity Share as of March 31, 2022	19.78
Net Asset Value per Equity Share after Issue	41.74
Issue Price	99.00

Notes:

- Issue Price per Equity Share will be determined after consultation with the Lead Manager.
- Net Asset Value per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year / Number of equity shares outstanding as at the end of year.

- Net worth is aggregate value of the paid-up share capital of the Company and Reserve and Surplus (excluding revaluation reserves, if any) and attributable to equity holders of the Company, if any, as per Restated Financial Information.

#### **5. Comparison of Accounting Ratios with Listed Industry Peers:**

Our Company is into the business of production of primarily the Tamil Language films and currently there are no listed peers in India engaged in this particular business segment and therefore, a strict comparison of our Company with any listed company is not possible.

Accordingly, it is not possible to provide an industry P/E ratio.

For further details refer section titled “*Risk Factors*” beginning on page 26 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements as Restated*” beginning on page 136 of this Prospectus for a more informed view.

#### **6. The Issue Price is 9.90 times of the face value of the Equity Shares.**

The Issue Price of Rs. 99.00 per equity share has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Restated Financial Statements*” beginning on pages 26, 87, 139 and 136, respectively, to have a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
VELS Film International Limited  
521/2 Anna Salai Nandanam,  
Chennai – 600 035, Tamil Nadu, India.

Dear Sir,

**Subject - Statement of Possible Tax Benefits (“the statement”) available to VELS FILM INTERNATIONAL LIMITED (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018**

### **Reference - Initial Public Offer of Equity Shares by VELS Film International Limited**

We hereby confirm that the enclosed Annexure, prepared VELS Film International Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares (“the Issue”) by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

### **Limitations:**

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This statement has been prepared solely in connection with the Proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

**For S R B R & Associates LLP**  
**Chartered Accountants**  
**FRN: 004997S / S200051**

Sd/-  
**Rajagopalan Sundararajan**  
**Partner**  
**M. No.: 029814**  
**UDIN: 22029814ANMOFM1921**  
Place: Chennai  
Date: 06 / 07 / 2022

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act 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.

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

### **A. SPECIAL TAX BENEFITS TO THE COMPANY:**

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS:**

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

#### **Note:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
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.

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

**For S R B R & Associates LLP**  
**Chartered Accountants**  
**FRN: 004997S / S200051**

Sd/-  
**Rajagopalan Sundararajan**  
**Partner**  
**M. No.: 029814**  
**UDIN: 22029814ANMOFM1921**  
Place: Chennai  
Date: 06 / 07 / 2022

## SECTION VI – ABOUT THE COMPANY OUR INDUSTRY

### Global Outlook

As per the latest economic outlook by The International Monetary Fund (world-economic-outlook-april-2022), the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022.

A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries—most affected. High inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies.

The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty.

Besides, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths are still high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China would compound supply disruptions elsewhere.

Global growth is projected to slow from 6.1% estimated in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3% in the medium term. Crucially, this forecast assumes that the conflict is confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026.

Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to be below the pre-pandemic trend throughout the forecast period. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge.

Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook. Inflation is expected to be high for longer than previously forecast, driven by war-induced commodity-price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January.

Although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected in the baseline, easing price inflation eventually, uncertainty still surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances—including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth.

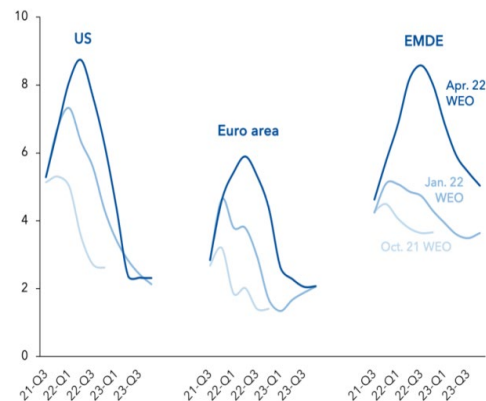
If signs emerge that inflation will be high in the medium term, central banks will be compelled to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets. The war in Ukraine has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding a fiscal buffer

Latest World Economic Outlook Growth Projections			
Real GDP, Annual Percentage Change	2021	2022	2023
<b>World Output</b>	<b>6.1</b>	<b>3.6</b>	<b>3.6</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>3.3</b>	<b>2.4</b>
United States	5.7	3.7	2.3
<b>Euro Area</b>	<b>5.3</b>	<b>2.8</b>	<b>2.3</b>
<i>Germany</i>	2.8	2.1	2.7
<i>France</i>	7.0	2.9	1.4
<i>Italy</i>	6.6	2.3	1.7
<i>Spain</i>	5.1	4.8	3.3
<b>Japan</b>	<b>1.6</b>	<b>2.4</b>	<b>2.3</b>
<b>United Kingdom</b>	<b>7.4</b>	<b>3.7</b>	<b>1.2</b>
<b>Canada</b>	<b>4.6</b>	<b>3.9</b>	<b>2.8</b>
Other Advanced Economies	5.0	3.1	3.0
<b>Emerging Market &amp; Developing Economies</b>	<b>6.8</b>	<b>3.8</b>	<b>4.4</b>
<b>Emerging &amp; Developed Economies</b>	<b>7.3</b>	<b>5.4</b>	<b>5.6</b>
<i>China</i>	8.1	4.4	5.1
<i>India*</i>	8.9	8.2	6.9
<i>ASEAN-5</i>	3.4	5.3	5.9
Emerging Market & Developing Europe	6.7	-2.9	1.3
<i>Russia</i>	4.7	-8.5	-2.3
Latin America & the Caribbean	6.8	2.5	2.5
<i>Brazil</i>	4.6	0.8	1.4
<i>Mexico</i>	4.8	2.0	2.5
Middle East & Central Asia	5.7	4.6	3.7
<i>Saudi Arabia</i>	3.2	7.6	3.6
Sub-Saharan Africa	4.5	3.8	4.0
<i>Nigeria</i>	3.6	3.4	3.1
<i>South Africa</i>	4.9	1.9	1.4
Memorandum			
<b>Emerging Market &amp; Middle-Income Economies</b>	<b>7.0</b>	<b>3.8</b>	<b>4.3</b>
Low-Income Developing Countries	4.0	4.6	5.4
Source: IMF, World Economic Outlook, April 2022			

**\*Note:** Data and forecasts for India are for the country's financial years (starting April). For the April 2022 WEO, India's growth projections are 8.9% in 2022 and 2.2% in 2023 (calendar years)

### Inflation to persist

Headline inflation is revised higher and expected to remain elevated for longer.  
(percent; year over year)

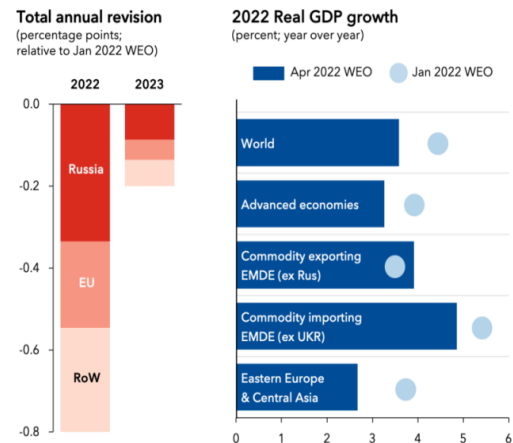


Sources: IMF, World Economic Outlook; and IMF staff calculations.  
Note: EMDE = Emerging market and developing economies.

IMF

### Shaken by war

Global growth has been revised down for 2022 and 2023 due largely to the impact of the war in Ukraine.



Sources: IMF, World Economic Outlook; and IMF staff calculations.

IMF

Source:

*International Monetary Fund Website*

**Link:** <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

### Indian Economy Insights

In March 2022, the PMI indicated easing expansion in manufacturing and accelerating growth in services, respectively 54.0 and 53.6. This was accompanied by a sharp increase in input prices. IIP growth increased slightly to 1.7% in February 2022, from 1.5% in January 2022. Retail inflation surged to a 17-month high of 7% in March 2022, breaching the RBI's 6% upper tolerance limit for the second successive month. On an annual basis, it was 5.5% in FY22 compared to 6.2% in FY21. Wholesale inflation surged to a four-month high of 14.5% in March 2022, led by inflationary pressures stemming from higher global crude and primary commodity prices. On an annual basis, wholesale inflation accelerated to 13% in FY22 from 1.3% in FY21.

According to the Controller General of Accounts (CGA), from April '21 to February '22 the Centre's gross tax revenues grew 36.6% with 53.3% and 23.3% growth in direct and indirect taxes respectively. The Centre's expenditure grew 11.5%; revenue expenditure grew 10.2%; capital expenditure, 19.7%. The Centre's fiscal and revenue deficits were respectively 82.7% and 79.7% of their FY22 RE. Merchandise exports and imports growths were high at respectively 19.8% and 24.2% in March 2022 compared to 25.1% and 36.1% in February 2022. Merchandise exports at \$419.7bn in FY22 surpassed the target of \$400bn, growing at an unprecedented 43.8% over FY21. Imports grew 55.1% in FY22, reaching \$611.9bn. The current account deficit widened to a 13-quarter high of (-)2.7% of GDP in Q3 FY22 due to worsening merchandise trade deficit relative to GDP. FPIs registered outflows for a fifth consecutive months at (-) \$5.5bn while net FDI inflows were a buoyant \$4.3bn in February 2022. Global crude prices at \$112.4/bbl. in March 2022 was at its highest since April 2014. Global coal prices increased to a historic \$294.4/mt during the month.

However, in one of its reports, KPMG expects that the positive business environment, robust industrial output and rapid vaccination coverage have provided strong momentum for the growth of India's economy, with an estimated 9.2% GDP growth for the current financial year.

Various parameters such as GST collections, UPI transactions, FASTag revenues, demand for electricity, passenger and freight traffic via rail and air, and metal and coal production exhibited positive momentum, pointing toward continued economic recovery despite the new year commencing with concerns regarding the third wave of COVID-19 and the possible roadblocks that could arise. Agricultural resilience and lower unemployment add to the positive outlook for the economy. The improving economic situation, employment available and household income boosted the consumer-confidence index, whereas the overall improved business environment supported a rise in the business-confidence index.

The Union Budget 2022–23 presented in February 2022 focuses on infrastructure investments, with capex 35.4% higher than in the previous year's budget. The government's continued emphasis on capex is expected to further promote economic activity, support job creation and attract foreign and private investments. The government's projected fiscal deficit of 6.9% of GDP for FY22 is not only lower than the 9.2% of FY21 but also in line with the fiscal consolidation objective outlined by the finance minister the previous year to achieve a fiscal deficit below 4.5% by 2025–26.

While various macroeconomic parameters point toward the country's sustained growth, it is imperative that global developments, such as the geopolitical unrest in Ukraine, supply-chain disruptions and rising commodity prices, which can derail progress, are kept in mind.

The gradual opening up of the economy and removal of restrictions after the second wave of COVID-19 led to India's GVA rising 8.5% during the second quarter of FY22. Contact-intensive sectors such as trade, hotels, transport and communications grew 8.2% in Q2 FY22 aided by increase in vaccination rates. India's annual FDI inflow was \$81.97bn in FY21, the highest so far. The country's foreign exchange reserves also climbed to a record \$642bn in October 2021. The unemployment rate reduced sharply in January 2022 to the lowest so far in FY22.

**Source: KPMG Website**

**Link:** <https://home.kpmg/in/en/home/insights/2021/04/indian-economy-insights.html>

**Source: E&Y Website**

**Link:** [https://static.investindia.gov.in/s3fspublic/202204/1.%20EY%20Economy%20Watch\\_April%202022.pdf](https://static.investindia.gov.in/s3fspublic/202204/1.%20EY%20Economy%20Watch_April%202022.pdf)

**Source:**

**Link:** <https://www.investindia.gov.in/sector/media>

## The Indian Media and Entertainment Sector

### MARKET SIZE

- Indian media and entertainment (M&E) sector to reach \$25.2bn in 2022. The Indian M&E sector grew 16.4% to ₹1.61trn (\$21.5bn) in 2021, according to a recent EY-FICCI report.
- The sector is expected to grow 17% in 2022 to \$25.2bn and recover its 2019 pre-pandemic levels, then record an 11% CAGR to \$30.9bn by 2024.
- Further, a BCG report says India's Media and Entertainment Sector (M&E) is expected to grow to \$55bn-70bn by 2030.
- India's digital advertising is expected to grow to ₹23,673 cr (\$3.09bn) in 2022 from ₹18,938 cr (\$2.47bn) in 2021.
- By FY23, the share of digital media is expected to increase to 19%, from 17% in FY20, and filmed entertainment is expected to increase to 11%, from 5% in FY20.
- Television would account for 40% of Indian media in 2024, followed by print (13%), digital advertising (12%), cinema (9%), and OTT and gaming (8%).
- The market is projected to clock a 17% CAGR between 2020 and 2023.
- Within M&E, animation, visual effects, gaming and comics is growing ~29%, while audio-visuals and services is rising 25%, recognised as one of the champion sectors by the Government of India. Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Mr. Piyush Goyal, said the AVGC sector is estimated to grow ~9% to ~₹3 lakh crore (\$43.93bn) by 2024.
- BCG says India's SVOD subscriptions are expected to increase 51% compared to 2019 and are estimated at 90m-100m by 2022.
- Advertising revenue in India is projected at ₹915bn (\$12.98bn) in 2023, from ₹596bn (\$8.46bn) in 2020.
- India's subscription revenue is projected at ₹940bn (\$13.34bn) in 2023, from ₹631bn (\$8.95bn) in 2020.
- Key growth drivers are raising demand for content and affordable subscription packages.
- Indian mobile gaming is growing in tandem with the global trend and is expected at \$7bn in 2025. Online gaming in India is projected at ₹155bn (\$2.12bn) by 2023, from ₹76bn (\$1.08bn) in 2020, due to rapid increase in consumption.



- The music sector is expected at ₹23bn (\$330m) by 2023, from ₹15bn (\$210m) in 2020 at a 15% CAGR between 2020 and 2023.
- The growth sector is attributable to the trend of platforms such as YouTube that continue to offer recent and video content-linked music for free, expected to drive paid-OTT music to ~5m end-users by 2023, generating ~₹2bn revenue (\$27m).
- By 2025, the number of connected smart televisions is expected at ~40m-50m. 30% of the content viewed on these screens will be gaming, social media, short video and content produced exclusively for this audience by television, print and radio brands. In the second quarter of 2021, smart TV shipments from India increased 65% y/y due to rising expansion activities adopted by original equipment manufacturers (OEMs) for their smart TV portfolios. By 2025, ~600m-650m Indians will consume short-form videos, with active users spending up to 55-60 minutes a day.
- The FICCI-EY media and entertainment survey shows that those who watch online videos through bundled packages (online video services bundled with mobile and broadband connections) will account for half of all online video viewers (399m) by 2023, up from 284m in 2020.
- In 2020, India registered ~803m online video viewers, including streaming services and videos on free platforms such as YouTube. Mobile video viewers were 356m in 2020, driven by rising number of users preferring video content over the last few years.
- OTT video services (video-on-demand and live) in India is likely to post a 29.52% CAGR to \$5.12bn by FY26, driven by rapid developments in online platforms and increased demand for quality content among users. India OTT revenue is expected to grow to \$13bn-15bn by 2030, a 22-25% CAGR over the next decade.
  - ✓ India has the world's second-largest digital population.
  - ✓ India is the world's second-largest market by app downloads
  - ✓ India is the world's fifth-largest fantasy sports market
  - ✓ Key contributors for the growth would be digital, films and television (together adding 65%), followed by animation and VFX (14% each) and online gaming (7%).
  - ✓ Even as the share of traditional media was 68% of sector revenues, the digital media, expectedly, grew sizably to establish itself as the second-largest segment.
  - ✓ Digital infrastructure is also growing by leaps and bounds. The findings show India has 795m broadband connections, over 500m smartphones and 10m connected TVs, apart from 170m active TV connections. 390m Indians played online games, 150bn streams of online music were consumed, 40m Indian households paid for 80m online video subscriptions and 400m subscribers consumed bundled content in 2021. The number of screens is expected to reach 1bn by 2024/25.
  - ✓ India is one of the largest content producers in the world and is fast becoming the content back-office of the world.
  - ✓ It produced 150,000 hours of TV content, 2,500 hours of premium OTT content and 2,000 hours of filmed content in 2021, backed by over 950 animation and VFX studios, 185,000 electronic artists and 139 universities

### Government Initiatives

- The Government of India has taken various steps such as digitising the cable distribution sector to attract greater institutional funding, increasing the FDI limit from 74% to 100% in cable and direct-to-home (DTH) satellite platforms, and granting industry status to the film industry for easy access to institutional finance.
- The Film Facilitation Office (FFO) set up by The Ministry of Information & Broadcasting, the Government of India, is a single-window clearance and facilitation point for producers and production companies with a view to assist them in getting requisite filming permissions.
- The merger of Film Media Units in December 2020 by The Ministry of Information and Broadcasting under one corporation would lead to convergence of activities and resources and better coordination, thereby ensuring synergy and efficiency in achieving the mandate of each media unit.
- In September 2020, the Government of India announced plans to develop an Animation, Visual Effects, Gaming and Comic (AVGC) Centre for Excellence in collaboration with IIT, Bombay.

- The Telecoms Regulatory Authority of India (TRAI) is set to approach The Ministry of Information and Broadcasting, Government of India, with a request to fast-track the recommendations on broadcasting in an attempt to boost reforms in broadcasting. The Government of India has agreed to set up a National Centre of Excellence for Animation, Gaming, Visual Effects and Comics in Mumbai. The Indian and Canadian governments have signed an audio-visual co-production deal to enable producers from both countries exchange and explore their cultures and creativity.

**Source:**

**Link:** <https://www.thedrum.com/news/2022/03/22/indian-media-and-entertainment-sector-reach252bn-2022>

## Policy support aiding sector growth

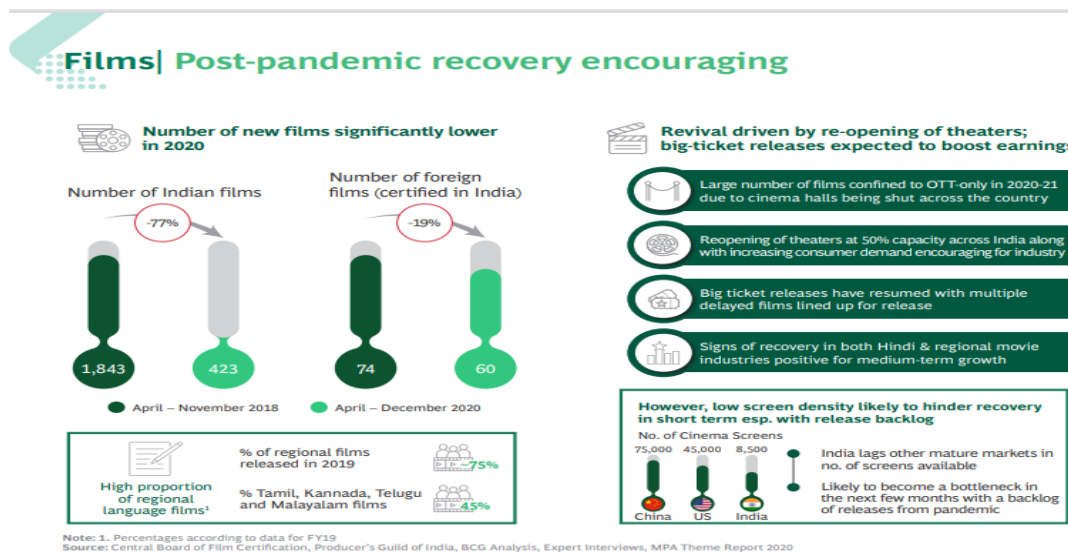
### Film

- Co-production treaties with various countries such as Italy, Brazil, the UK and Germany to increase the export potential of the film sector.
- Granted 'industry' status in 2001 for easy access to institutional finance.
- FDI up to 100% through the automatic route granted by the government.
- Entertainment tax to be subsumed in GST. This would create a uniform tax regime across states and reduce the tax burden.
- The Film Facilitation Office (FFO) partnered with the Ministry of Railways to create an integrated single window filming mechanism to streamline the clearance process for filming across railway premises.

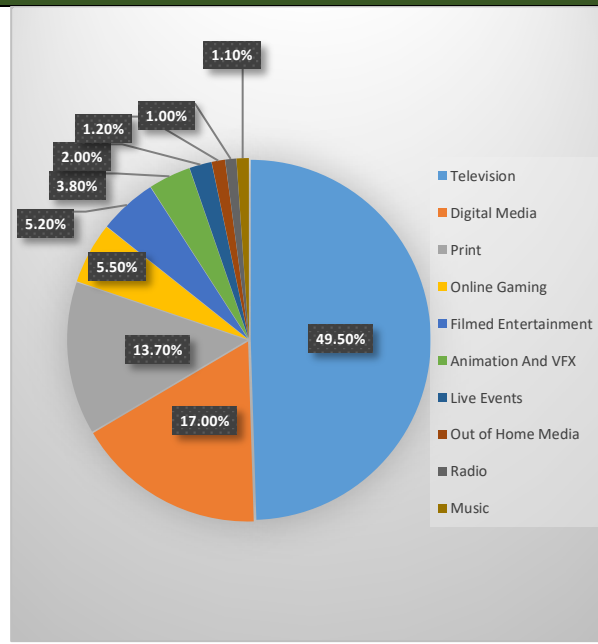
By FY23, the share of digital media is expected to increase to 19%, from 17% in FY20, and filmed entertainment is expected to increase to 11%, from 5% in FY20.

### The sector is undergoing some significant changes and creating opportunities

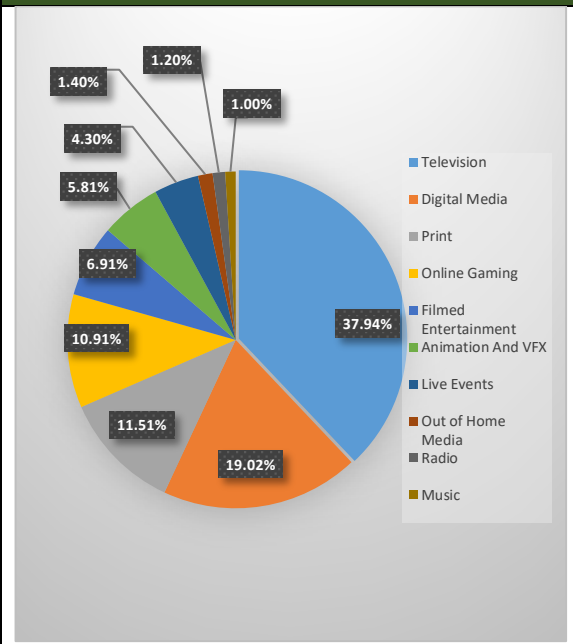
- Growth in regional film production targeted at specific audiences.
- Exhibitors and studios look to modify business models: more flexible windowing and production strategies set to emerge.
- Rising pressure and opportunity for broader distribution with OTT players and direct-to-digital release.
- Recent years have seen the rise of "content films" faring well alongside "star-focused films" that were more dominant in the past.



Share of Major Industry Segment 2020

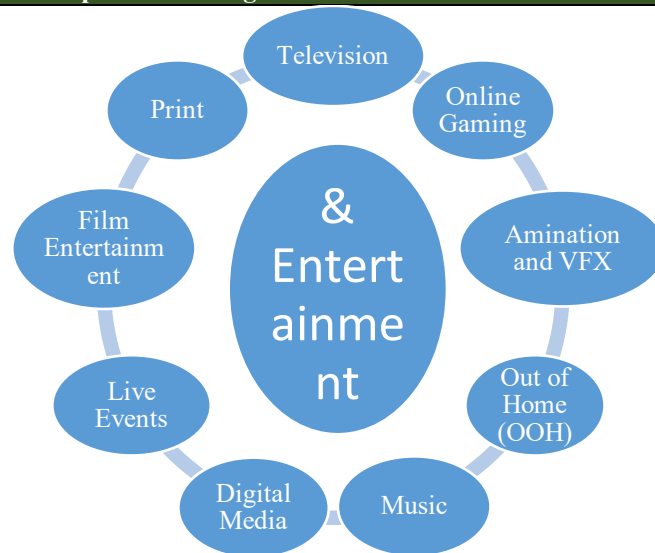


Share of Major Industry Segment 2023P



- In FY20, television, digital & print contribute ~ 80% to the total media and entertainment industry revenue.
- By FY23 the share of digital media is expected to increase by 19% from 17% in FY20 and filmed entertainment is expected to increase to 11% from 5% in FY20.
- Television would account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and OTT and gaming industry (8%).

The entertainment sector is split into ten segments



Note: VFX- Virtual Effects

Source: KPMG-FICCI Report 2018, EY's Media and Entertainment report 2019

## Report by media consulting firm Ormax and media investment firm GroupM

According to a report by media consulting firm Ormax and media investment firm GroupM, Box office revenue is expected to touch a record ₹12,515 crore in 2022, beating the previous high of ₹10,948 crore in 2019, as audiences throng cinemas in large numbers with revenge consumption kicking in after two years of covid-led disruptions.

In fact, revenue generated from ticket sales between January and April was also at an all-time high of ₹4,002 crore for the period. Besides for the first time monthly average collections was at over ₹1,000 crore. In comparison, in the first four months of 2019 box office collection was at ₹3,550 crore.

Regional language contribution to revenues has played a major role with Telugu cinema seeing significant growth in share of box office collections in the last three years. In January-April, almost 60% of Hindi box office revenue came from dubbed versions of south Indian films, thanks to two big releases, K.G.F: Chapter 2 and RRR. In the four-month period Telugu films contributed 27% to overall revenues compared to 12% in 2019 while Hindi cinema's share fell from 43% in 2018 and 39% in 2019 to 38% in 2022.

As far as top hits of the year so far go, action film K.G.F: Chapter 2 leads the list with gross box office collections of ₹1,008 crore across languages, followed by period drama RRR at ₹875 crore, political thriller The Kashmir Files ( ₹293 crore), Tamil film Beast ( ₹169 crore) and Sanjay Leela Bhansali's Gangubai Kathiawadi ( ₹153 crore). Large franchises and spectacles from the south have also brought families into the fold of theatre viewing, going beyond the youth.

## Cinema of South India –History

The Cinema of South India is used to refer collectively the four distinct film industries of Southern region of India – Tamil, Telugu, Malayalam, and Kannada film industries – as a single entity. They are based in Chennai, Hyderabad, Kochi, and Bangalore respectively.

## Tamil Cinema History

Tamil cinema, also known as Kollywood, is the Indian filmmaking industry of Tamil-language motion pictures. It is based in Chennai, Tamil Nadu, in the Kodambakkam neighbourhood, leading to the industry's nickname Kollywood, the word being a portmanteau of Kodambakkam and Hollywood. The first Tamil silent film, Keechaka Vadham, was made by R. Nataraja Mudaliar in 1918. The first talking motion picture, Kalidas, was a multilingual film directed by H M Reddy and was released on 31 October 1931, less than seven months after India's first talking motion picture Alam Ara. By the end of the 1930s, the legislature of the State of Madras passed the Entertainment Tax Act of 1939. Tamil cinema later had a profound effect on other filmmaking industries of India, establishing Madras as a secondary hub for Hindi cinema, other South Indian film industries, as well as Sri Lankan cinema. Over the last quarter of the 20th century, Tamil films from India established a global presence through distribution to an increasing number of overseas theatres in Singapore, Sri Lanka, Malaysia, Japan, the Middle East, parts of Africa, Oceania, Europe, North America and other countries.

### Source

**Link:**<https://www.livemint.com/industry/media/boxofficeestimatedtogross12515crin22report11654113303647.html>

## 30% of India's entertainment, media revenue is from south

According to a report released during CII Dakshin South India Media & Entertainment Summit organised by Confederation of Indian Industries (CII), southern region titled, 'Regional is the new national – way forward for

the south Indian media and entertainment industry', half of the films released in 2021 were in one of the four south Indian languages and regional movies have produced some of the most successful box office hits.

The television sector is the largest media and entertainment sector accounting for more than 35% of the media and entertainment market. The streaming and digital media industry has also experienced a massive boom and is expected to grow at a rate of 25% thanks to an increase in internet penetration, smartphone availability and higher per capita income. Encouraging signs are now being witnessed in the music, radio and print industries with music and print embracing cutting edge technology.

South India contributes close to 30% of India's overall media and entertainment revenue with more than 50% of the films produced every year in the country from the south.

**Source:**

**Link:**[http://timesofindia.indiatimes.com/articleshow/90753340.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/90753340.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### South Indian cinema takes over Bollywood in box office revenues

Numerous Indian film industry experts believe the country's cinema in South and its actors are not far from taking over Bollywood though a few assert regional films are already calling the shots if box office revenues are a yardstick to measure the successes in this context. Three South Indian artists Rajinikanth (₹ 100 crores), AR Rahman (₹ 94.8 crores) and Mohanlal (₹ 64.5 crores) were getting paid way more than Bollywood stars in 2019.

In July 2020, the "Financial Express" had revealed: "The Hindi film segment is estimated to have registered a record ₹ 4,350 crore in net box office collections in 2019. Box office collections are no doubt big in Bollywood but of late regional films are calling the shots. Led by the Tamil and Telugu film industries, regional cinema contributed a chunky 47% to the film industry's overall revenues in 2019 while Bollywood's share of the pie stood at 40%, according to Deloitte-MPA.

By 2020, the combined revenue of all the South Indian film industries (Telugu, Tamil, Kannada and Malayalam) had surpassed that of the Hindi film industry. And by 2021, the Telugu cinema had emerged as the largest film industry in terms of box-office. The Indian film industry is expected to clock in estimated revenues of \$ 4.3 billion (approximately ₹ 33,000 crore) by FY24 from \$ 2.7 billion in FY19." South cinema is done being second-best to Bollywood.

**Source:**

**Link:**<https://www.thenews.com.pk/print/934288-south-indian-cinema-takes-over-bollywood-in-boxoffice-revenues>

### A fine balance: On Tamil cinema's outing at the National Awards

The 68<sup>th</sup> National Awards have chosen good films that are also viable. Tamil cinema got a major fillip at the recent 68<sup>th</sup> National Film Awards, where it bagged top honours. While Soorai Pottru hogged the limelight with multiple accolades, including in the 'Best Actor and Actress' categories, other films such as Sivaranjiniyum Innum Sila Pengalum and Mandela also fetched their teams honour and acclaim. The selections showcase the sheer variety Tamil cinema has offered to viewers in recent times.

The most heartening aspect is that this national acclaim has happened despite these films being released during a tumultuous phase for the film industry — COVID-19 and the ensuing lockdowns. This was acknowledged by the Union Minister for Information and Broadcasting, Anurag Thakur, who said that although 2020 had been a particularly difficult year for films, the nominations comprised great works. It proves that OTT or theatrical, quality content will stand out.

**Source**

**Link:**<https://www.thehindu.com/opinion/editorial/a-fine-balance-the-hindu-editorial-on-tamil-cinemas-outing-at-the-national-awards/article65674051.ece>



## OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “*Risk Factors*” and chapters titled “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 26, 136 and 139 respectively.

### OVERVIEW

Our Company was originally incorporated in Chennai as "VELS Film International Limited" on 25<sup>th</sup> October, 2019 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identity Number of our Company is U74999TN2019PLC132235.


Our Company is primarily in the business of production of films and sale of film rights. Vels Film International Limited is the result of the vision of Dr. Ishari K Ganesh to produce feature films in various languages.

Our company is a member of South Indian Film Chamber of Commerce. The company's contribution to the South Indian Film Industry is growing in fast pace particularly to the Tamil Film Industry which is the third biggest in India. Dr. Ishari K. Ganesh’s late father Shri Isari Velan was a renowned comedian in Tamil Cinema of yesteryears and that inspired him to act in several films as well. Being born to a great actor and comedian, entering the film industry was a natural progression for Dr. Ishari K. Ganesh. Our promoter is involved in film industry since the movie ‘*Vaaku Moolam*’ in the year 1991. He has acted in multiple movies and the last movie in which he acted was S. Shankar’s ‘*2.0*’ which released in 2018.

Later our promoted started working in the education sector. With a modest beginning as a humble educationist, our Promoter, Dr. Ishari K. Ganesh, started the Vael's Educational Trust in the year 1992 with 36 students. In 2017, the Vels Group celebrated its 25 years of commitment to excellence in education with more than 25,000 students, 25 institutions and 5,000 staff with centers in Singapore and United Kingdom. His efforts to provide quality education to all sections of the society are renewed every year. Our promoter is an educationist, philanthropist and a business magnate.


After successfully setting up various schools, medical colleges and university in the year 2016 our promoter drifted his attention to film production in Tamil film industry in the memory of his actor father. He associated himself with Mr. Prabhu Deva, known for his choreography, and alongside him co-produced the film ‘*Devi*’ in 2016 along with other films. Later in 2019, ‘*LKG*’ was produced by M/s Vels Film International (sole proprietorship of our promoter). After producing few more films, we decided to corporatize our film production business and therefore formed Vels Film International Limited.

Following are the produced and upcoming films by our company since our incorporation in 2019 :-

PRODUCED		
Sr. No.	Film Poster	Description
1.		<p><b>Mookuthi Amman:</b></p> <p>Mookuthi Amman is a 2020 Tamil-language fantasy comedy film written and directed by RJ Balaji in his directorial debut, co-directed by N. J. Saravanan. The film stars Nayanthara and Balaji, with Urvashi, Smruthi Venkat, Madhu Mailankody, Abinaya, Moulee and Ajay Ghosh in supporting roles. It revolves around a news anchor joining forces with the title character to expose a fake godman.</p> <p>The film was released on Disney+ Hotstar on 14 November 2020, in three different languages - Malayalam, Telugu and Tamil.</p> <p>Awards &amp; Recognitions for the movie:-</p>

		<ul style="list-style-type: none"> <li>• South Indian International Movie Awards (2021) Tamil (Nominee) – Best Actor – R J Balaji</li> <li>• South Indian International Movie Awards (2021) Tamil (Nominee) – Best Actress – Nayanthara</li> </ul>
2.		<p><b>Kutty Story:</b></p> <p>Kutty Story is a 2021 Tamil-language romantic anthology film, consisting of four short film segments directed by Gautham Vasudev Menon, Vijay, Venkat Prabhu and Nalan Kumarasamy and produced by Dr. Ishari K. Ganesh under the banner of our company. The film features Gautham Menon, Amala Paul, Vinoth Kishan, Amitash Pradhan, Megha Akash, Sunaina, Varun, Sakshi Agarwal, Vijay Sethupathi and Aditi Balan in the lead roles.</p> <p>The film was released on 12 February 2021.</p>
3.		<p><b>Sumo:</b></p> <p>Sumo is an upcoming Tamil-language sports comedy-drama film being produced by VELS Film International. The film is directed by S. P. Hosimin. The film features Shiva, Priya Anand, Yogi Babu, and Yoshinori Tashiro, a Japanese sumo wrestler as the titular character of the film. Shiva is also credited for the screenplay and dialogues for the film. The cinematography is by Rajiv Menon and the music score was composed by Nivas K Prasanna.</p> <p>We have already sold the rights of the film and it is expected to release soon.</p>
4.		<p><b>Joshua Imai Pol Kaakha:</b></p> <p>Joshua Imai Pol Kaakha is an upcoming Tamil-language action thriller film written and directed by Gautham Vasudev Menon. Produced by our company, the film stars Varun, Krishna and Raahe, with music composed by Karthik. The film narrates the tale of a bodyguard who has to look after and protect a high-profile woman who comes to Chennai from London.</p> <p>The film was expected to have a theatrical release in late 2020, but production was halted due to the COVID-19 pandemic in India. However, we have already sold the rights of the film and it is expected to release soon.</p>



5.		<p><b>Vendhu Thanindhathu Kaadu:</b></p> <p>Vendhu Thanindhathu Kaadu is a Tamil-language action drama film directed by Gautham Vasudev Menon, written by B. Jeyamohan and produced by Dr. Ishari K. Ganesh. Starring Silambarasan and Siddhi Idnani, with Raadhika Sarathkumar, Siddique, Neeraj Madhav and Aangelina Abraham in supporting roles, the film has music composed by AR Rahman.</p> <p>The movie was released on September 15, 2022.</p>
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UPCOMING	
Sr. No.	Description
1.	<p><b>Untitled (The name was 'Scary House' in Draft prospectus)</b></p> <p>Starring Jiiva and Arjun along with Raasi Khanna, this film is in the final stages of Shooting and is expected to release in FY 2023-24.</p>
2.	<p><b>PT Sir (This name was 'Hip Hop' in Draft prospectus)</b></p> <p>Starring Adhi, the film shooting has started in the right earnest and we expect the film to release in FY 2023-24.</p>
3.	<p><b>Singapore Salon</b></p> <p>Starring R.J. Balaji and Meenakshi Choudhary, the film shoot is underway and is slated to release in FY 2023-24.</p>
4.	<p><b>Corona Kumar</b></p> <p>Starring Silambarasan and Aditi Shankar, the film shoot is in initial stages. It is slated for release in FY 2023-24.</p>
5.	<p><b>Chutney Sambar (The name was untitled in Draft Prospectus)</b></p> <p>Starring Yogi Babu and others, the film shoot is yet to start and the release date is expected to be in FY 2023-24. We have not yet titled the film.</p>
6.	<p><b>Untitled</b></p> <p>Starring Jayam Ravi and others, the film shoot is yet to start and the release date is expected to be in FY 2023-24. We have not yet titled the film.</p>

*Note: The actual release date may significantly vary from the above mentioned time due to various circumstances related to the film or the film industry as a whole.*

*Further, apart from above there could be other projects which are at nascent stage.*

## OUR STRENGTHS

We derive our strengths from following factors:

### *Experienced Directors and Management Team*

Our Company is managed by a team of experienced and professional personnel having experience and knowledge and the same would enable us to develop strong business models and execute plans effectively. Our Managing Director and core-management team possess an in-depth understanding of the Indian film industry, content and content exploitation, and is therefore well - positioned to focus on the continued expansion and strengthening of our business.

### *Value of the “VELS” and “Dr. Ishari K. Ganesh” name*

We believe that “VELS” and “Dr. Ishari K. Ganesh” have a goodwill and reputation in the south Indian film industry. We use the “VELS Film International” and “Dr. Ishari K. Ganesh” jointly for our distribution business. We believe many south Indian film actors, directors, studios, exhibitors and other distributors as well as Indian film producers are well aware of the name “VELS Film International” and “Dr. Ishari K. Ganesh”.

### *Distribution network*

We leverage our experience and relationship with the distributors of the south Indian movies for theatrical distribution as well as distribution on OTT (Over-The-Top) platforms for the films produced by us.

### *Growth Stage and visible revenue streams.*

Our company was formed in 2019 and since then we are focused on scaling up and increasing the revenue. We had nil revenue in FY 2020 which was increased to Rs. 2601.37 Lakhs in FY 21 despite COVID crisis. In the FY 22 our company clocked a revenue of Rs. 2644.25 Lakhs on standalone basis and Rs. 2645.02 on consolidated basis. We have produced 5 movies and 5 more movies are expected to be produced and may get released in the next 2 FYs.

## **OUR STRATEGY**

Our mission is to become one of the leading film production houses in regional languages film industry.

Our Business strategies are as follows:

- We intend to expand our production activity to produce films which will cater to every need of viewers in India and enhance our position as a production house with continuous innovation in process and better understanding of the viewership trend. In view of the rapid changing preferences in entertainment space domestically and internationally,
- We intend to build up capability of conceptualizing and producing films catering to every entertainment need for film viewers in terms of family drama, adventurous, romantic story etc.
- We intend to have diversified content library and expand further into Hindi and other Regional language film market such as Telugu, Kannada, etc. and increase the scale of our presence in this market.
- We strategize to track the viewer’s preference of films to cater to their demand.
- We plan to leverage our industry relationship in the growth and development of our film making business.

## **SWOT ANALYSIS**

### **Strengths:**

- Achieved phenomenon growth in short timeframe.
- Highly task-oriented team.
- The growing middle class with higher disposable income.
- Multiplexes with prime locations with average ticket price & spread of OTT trend.

### **Weakness:**

- The Entertainment sector in India is highly fragmented.
- Lack of familiarity in other regional language films segment.

### **Opportunities:**

- Growing market conditions.
- Opening in other regional languages market.
- Avenues available in OTT and other digital platforms.
- Increase in no. of multiplexes.

### **Threats:**

- Competition from established production houses.
- Change in government policies.
- Piracy, violation of intellectual property rights.

- Frequent changes in technology at high cost

## **INFORMATION SECURITY**

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 installed CCTV cameras, Biometric access, Password sensitive central storage for protection of classified data and intellectual property.

## **SALES AND MARKETING**

A strong and robust sales and marketing team ensures pitching for prime projects at the appropriate time. The team ensures compatibility and reliability with the clients servicing their needs and requirements efficiently. This is the reason major clients continue to associate with our Company year on year. We have appointed a full-time public relation officer to facilitate the marketing goals.

## **COMPETITION**

The competitive landscape within the Indian film industry is rapidly changing. The language in which we primarily produce the movies is 'Tamil'. We face competition from the regional players such as Sun Pictures, AGS Entertainment, Lyca Productions, etc. Our Company also faces competition from large players in the films and content streaming segments. Some of the companies that have entered this sector in past few years are Reliance, UTV, Eros and other players. Further, on digital platforms (OTT) we face competition from these players as well as the other local and international players. We compete with these companies to enter directly into deals with talent, such as actors and directors.

## **COLLABORATIONS / JOINT VENTURES**

As on the date of this Prospectus, our Company has not entered into any technical or other collaboration or Joint venture.

## **HUMAN RESOURCE**

We believe that our employees are the key to the success of our business. As on January 31, 2023, we have the total strength of 12 full-time employees in various departments. The details of which is given below:


<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Employees</b>
1.	Managing Director – Producer	1
2.	Executive Producer	1
3.	Chief Financial Officer	1
4.	Company Secretary & Compliance Officer	1
5.	Technical	1
6.	Admin & HR	1
7.	Accounts & Finance	4
8.	Support Staff	2
	<b>Total</b>	<b>12</b>

Our company does not enter into long term contracts with contractual based manpower. Company enters into short term (project based) contracts only with the 'key persons' involved in a film project such as Director(s), Actors, etc.

Our company pays to the manpower such as background artists, dance artists, spot boys, etc. involved in every film project on daily basis. From our past experience we believe that such manpower (excluding key persons) may vary from 60 to 120 personnel per film.

## **INTELLECTUAL PROPERTY**

The Company has applied for registration of following trademark under the Trade Marks Acts, 1999 :

Description	Trademark Number / Application No./ Registration Certificate Number	Class(es)	Date of Application
	5486867	Class 38	June 13, 2022
	5486868	Class 40	June 13, 2022
	5486869	Class 41	June 13, 2022

## INSURANCE

Our operations are subject to risks inherent in movie production especially the movies that may contain fire or other hazards. Other risk may include risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

Our company does not maintain insurance to cover our economic loss. For further details, kindly refer the section on “Risk Factors” beginning on page 26.

## PROPERTIES

Following Properties are owned or taken on lease or licensed by our company:

Sr. No.	Owner	Address	Leased Owned /	Date Agreement of	Purpose
1.	Ms. Preethaa Ganesh and Ms. Kushmitha Ganesh	No. 521/2 Anna Salai, Nandanam, Chennai – 600 035	Renewed Lease till 31 May 2023	October 01, 2019	Registered Office

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Statutory Approvals” on page 153.*

### BUSINESS RELATED REGULATION

#### INDIAN 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 applicant 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. All 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, colouring or otherwise, after it has been certified, it is not permitted to be exhibited unless such portions which have been excised, added, coloured 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.

#### THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as —micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees; —Small enterprisel, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, —Micro – enterprisel , where the investment in equipment does not exceed ten lakh rupees, —Small Enterprise where the

investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or — Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupee.

## **LAWS RELATING TO EMPLOYMENT AND LABOUR**

### **MINIMUM WAGES ACT, 1948**

This Act aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. The Act contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

### **THE PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 ("Act") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

### **PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form (Form D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

### **CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification



from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### **EQUAL REMUNERATION ACT, 1976**

Equal Remuneration Act, 1976 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.

### **WORKMEN'S COMPENSATION ACT 1923**

This Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a willful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

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

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### **EMPLOYEES STATE INSURANCE ACT, 1948**

The promulgation of Employees' State Insurance Act, 1948 (ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi-dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio-economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

### **MATERNITY BENEFIT ACT, 1961**

Maternity Benefit Act, as amended from time to time ("MB Act") entitles a woman employee who has been in employment with the employer for eighty (80) days in the twelve (12) months immediately preceding her delivery to maternity leave of twelve (12) weeks, of which not more than six (6) weeks can precede the date of her delivery. The MB Act further provides for (i) paid leave of six (6) weeks for miscarriage or medical termination of pregnancy; (ii) paid leave of two (2) weeks following the date of tubectomy operation; (iii) one (1) month's paid leave on account of any illness occurred after pregnancy, delivery, miscarriage, medical termination of pregnancy or tubectomy operation; and (iv) medical bonus of Rs.3,500 (Rupees three thousand five hundred) from the employer if no pre-natal confinement or post-natal care is provided by the employer free of charge. The Lok Sabha passed the Maternity Benefit (Amendment) Act, 2016 ("Amendment"), which has received presidential assent and was came into force with effect from March 28, 2017. The Amendment has increased paid maternity leave from twelve (12) weeks to twenty six (26) weeks for women having two surviving children and provides for



twelve (12) weeks maternity leave for women having more than two children. The Amendment also provides for paid leave of twelve (12) weeks for commissioning mothers (in case of surrogacy) and adopting mothers who legally adopt a child below the age of three (3) months. The Amendment also codified a 'work from home' option for women after the period of maternity leave depending on the nature of work and on certain mutually agreed terms and conditions between the employer and the woman. The Amendment mandates employers employing more than fifty (50) employees in an establishment to provide crèche facilities where women are allowed to visit four times in a day.

### **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("SHWW ACT")**

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. 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 favour 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. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

## **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.

### **TRADEMARKS ACT, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **COPYRIGHT ACT, 1957**

The Copyright Act, 1957 protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audio-visual works (cinematograph films and video).

### **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 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.

## **TAXATION & DUTY LAWS**

### **THE CENTRAL GOODS AND SERVICES TAX ACT, 2017**

The Government of India proposed a comprehensive national goods and services tax ("GST") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the

Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017. GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain. There will be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods and services.

### **INCOME TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

## **IN GENERAL**

### **THE COMPANIES ACT, 2013**

The Companies Act, 2013 ("CA 2013") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

### **THE INDIAN CONTRACT ACT, 1872**

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **BUREAU OF INDIAN STANDARDS ACT, 2016 ("BIS ACT")**

The BIS Act provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of activities of standardization, conformity assessment and quality certification of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others (a) to publish, establish, promote and review Indian standards; (b) to adopt as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) to carry out functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### **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.

### **THE TRANSFER OF PROPERTY ACT, 1882**

The Transfer of Property Act, 1882 ("TP Act") as amended, 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 contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

### **THE 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.

### **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. 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.

### **FOREIGN EXCHANGE AND MANAGEMENT ACT, 1999 ("FEMA")**

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act, 1999 ("FEMA") and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion ("DIPP"). The Reserve Bank of India ("RBI"), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the 'automatic route' within the specified sectoral caps.

### **COMPETITION ACT, 2002**

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India ("Commission") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may extend to Rs.100,000 for each day during such failure subject to maximum of Rs.10,000,000, as the Commission may determine.

## OTHER LAWS

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Central Rules, 1971 (Contract Labour Rules)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961;

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as “VELS Film International Limited” on October 25, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Chennai bearing CIN U74999TN2019PLC132235.

Dr. Ishari Kadhivelan Ganesh, Dr. Arthi Ganesh, Ms Preethaa Ganesh, Ms. Kushmitha Kadhivelan Ganesh, Ms Pushpavelan, Ms. Kamala Kannan Ashwin Kumar and Ms. Nithya Kalyani were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Our Industry*”, “*Our Management*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 87, 78, 103, 136 and 139 respectively.

### ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE

<b>Registered Office</b>	No. 521/2, Anna Salai Nandanam, Chennai-600035, Tamil Nadu, India
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### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Our Company’s Registered Office is presently situated at No. 521/2, Anna Salai Nandanam, Chennai-600035, Tamil Nadu, India. There has been no change in the registered address of the Company since its incorporation.

### MAIN OBJECTS OF MEMORANDUM OF ASSOCIATION

1. To carry on in India or outside India or elsewhere the business to present, produce, arrange, manage, organize, conduct, sponsor, compose, edit, plan, design, exhibit, demonstrate, promote, operate, participate, collaborate and run at national and international level all sorts of shows and modeling, films, programmes of song, music, dance, film star, Serial (radio and television), T.V. channels, Over-the-top media services (OTT), entertainment web-sites and for the purpose to engage, book or hire artists, authors, story writers, musicians, models, performers, and other persons and agencies.
2. To carry on the business of production, distribution or exhibition of films and motion pictures and the running of theatres, cinemas, studios, and cinematographic shows and exhibitions.
3. To telecast, relay, uplink and exhibit films and softwares through satellite, earth stations, television stations or any other relay station either in or outside India and either directly or on lease/hire basis.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Amendments
March 03, 2021	EGM	Increase in Authorized Capital to Rs.10,00,00,000 from Rs.10,00,000
March 28, 2022	EGM	Increase in Authorized Capital to Rs.20,00,00,000 from Rs.10,00,00,000

### ADOPTING NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company was originally incorporated on October 25, 2019 under the provisions of the Companies Act, 2013. Since then there has been no new adoption of new set of Articles of Association of the Company.

### MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
2021-22	Takeover of Innovative Studios Private Limited (now called VELS Studios And Entertainment Private Limited) w.e.f. July 26, 2021 as our Subsidiary.
2019-20	Incorporation of our Company as “VELS Film International Limited” under the Companies Act, 2013.

#### OTHER DETAILS ABOUT OUR COMPANY

For details of our Company’s activities, business, growth, recognitions, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 87, 139 and 72 respectively. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 103 and 56 respectively.

#### CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 56.

For a description of our Company’s debt facilities, see “*Financial Indebtedness*” on page 137.

#### CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

#### OUR HOLDING COMPANY

As on the date of the Draft Prospectus, our Company is not a subsidiary of any company.

#### OUR SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

We have only 1 subsidiary named VELS Studios and Entertainment Private Limited (earlier known as Innovative Studios Private Limited). For details in relation to Our Subsidiaries, Associates, and Joint Ventures, please refer to the chapter titled “*Our Promoter and Promoter Group*”, “*Our Group Entities*” and “*Our Subsidiary*” beginning on page 119, 128 and 124 respectively .

#### ACCUMULATED PROFITS OR LOSSES

As on the date of this Prospectus, there are no accumulated profits or losses of Our Subsidiaries, Associates, and Joint Ventures that have not been accounted for or consolidated by our Company.

#### OTHER CONFIRMATIONS

As on the date of this Prospectus, Our Subsidiaries, Associates, and Joint Ventures are unlisted Private limited Companies and has not made any public issue (including any rights issue to the public) in the preceding three financial years. The Companies are neither a sick Companies nor are under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Companies.

#### DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.

We have not acquired any business/undertaking since incorporation except our subsidiary VELS Studios and Entertainment Private Limited (earlier known as Innovative Studios Private Limited). Further, there are no mergers, amalgamation, and revaluation of assets etc. with respect to our company in the said period.

#### INJUNCTION OR RESTRAINING ORDER



Except as disclosed in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 149, there are no injunctions/restraining orders that have been passed against our Company.

#### NUMBER OF SHAREHOLDERS OF OUR COMPANY

Our Company has Seven (7) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 56.

#### CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “*Our Management*” on page 103.

#### SHAREHOLDERS AGREEMENTS

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

#### AGREEMENT WITH KEY MANAGERIAL PERSONNEL OR DIRECTORS OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or Directors or Promoter or any other employee except the agreement dated April 30, 2022 executed between the Managing Director and our Company either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

#### COLLABORATION AGREEMENTS

As on date of this Prospectus, Our Company is not a party to any collaboration agreements.

#### OTHER MATERIAL AGREEMENT

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

#### STRATEGIC OR FINANCIAL PARTNERS

Except as disclosed in this Prospectus, Our Company does not have any strategic or financial partners as on the date of this Prospectus.

#### TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling of borrowings by our Company with any financial institutions/banks as on the date of the Draft Prospectus.

#### OTHER AGREEMENTS

- i. **Non-Compete Agreement:** Our Company has not entered into any Non compete Agreement as on the date of filing of this Prospectus.
- ii. **Joint Venture Agreement:** Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Prospectus we have 6 (six) Directors on our Board.

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

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Change in Current Designation	Other Directorships
1.	<b>Name:</b> Dr. Ishari Kadhivelan Ganesh <b>Age:</b> 55 years <b>Father's Name:</b> Late Sh. Isari Velan <b>Designation:</b> Managing Director <b>Address:</b> No. 5 /109-D Bharathi Avenue, Injambakkam, Kanchipuram, Chennai-600115, Tamil Nadu, India <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 00269445	Originally appointed as Director on October 25, 2019  Further Re-designated as Managing Director for a term of 5-year w.e.f April 30, 2022	1. VEL Ganesh Foundations Private Limited 2. Kushmitha Foundations Private Limited 3. Arthi Associates Private Limited 4. VG Park Beach Resorts Private Limited 5. VELS Aviation Services IFSC Private Limited 6. Madras Elephant Estate Private Limited 7. VGS Estates Private Limited 8. Cybernexa Infotech Private Limited 9. VELS Studios and Entertainment Private Limited (earlier known as Innovative Studios Private Limited) 10. Prabhudeva Studios Private Limited 11. BMMT Institute of Education 12. VEL Chennai Warriors LLP*  <i>* The LLP has the Defaulting Status.</i>
2.	<b>Name:</b> Dr. Arthi Ganesh <b>Age:</b> 48 years <b>Father's Name:</b> Mr. Jothimurugan <b>Designation:</b> Non-Executive Director <b>Address:</b> No. 5 /109-D Bharathi Avenue, Injambakkam, Kanchipuram, Chennai-600115, Tamil Nadu, India <b>Term:</b> Retire by Rotation <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 00568101	Originally appointed as Non-Executive Director w.e.f. October 25, 2019	1. Kushmitha Foundations Private Limited 2. Arthi Associates Private Limited 3. VG Park Beach Resorts Private Limited 4. VELS Aviation Services IFSC Private Limited 5. Madras Elephant Estate Private Limited 6. VGS Estates Private Limited 7. Cybernexa Infotech Private Limited 8. VELS Studios and Entertainment Private Limited (earlier known as Innovative Studios Private Limited) 9. Prabhudeva Studios Private Limited 10. BMMT Institute of Education 11. Square Foundations LLP* 12. G N Property LLP*  <i>* The LLP has the Defaulting Status</i>
3.	<b>Name:</b> Ms. Preethaa Ganesh <b>Age:</b> 25 years	Originally appointed as Non-Executive Director	1. VELS Studios and Entertainment Private Limited (earlier known as Innovative Studios Private Limited)

	<b>Father's Name:</b> Dr. Ishari Kadhivelan Ganesh <b>Designation:</b> Non-Executive Director <b>Address:</b> No. 5 /109-D Bharathi Avenue, Injambakkam, Kanchipuram, Chennai-600115, Tamil Nadu, India <b>Term:</b> Retire by Rotation <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 07105539	w.e.f. October 25, 2019	
4.	<b>Name:</b> Mr. Sankara Mudaliar Jagadeesan <b>Age:</b> 81 years <b>Father's Name:</b> Late Sankara Mudaliar <b>Designation:</b> Independent Director <b>Address:</b> Old No. 23, New NO.53, 3 <sup>rd</sup> Main Road, Gandhi Nagar, Adyar, Chennai-600020, Tamil Nadu, India <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Retd. Justice <b>DIN:</b> 01799607	Originally appointed as Independent Director w.e.f. April 30, 2022	1. Binny Limited 2. Binny New Re Energy Limited 3. RRB Energy Limited
5.	<b>Name:</b> Ms. Sangeetha Santharam <b>Age:</b> 42 years <b>Father's Name:</b> Mr. R.S. Santharam <b>Designation:</b> Independent Director <b>Address:</b> Old No 236, New No. 08, 6 <sup>th</sup> Street, Janaki Nagar, Valasaravakkam, Chennai – 600 087, Tamil Nadu, India <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 07567200	Originally appointed as Independent Director w.e.f. April 30, 2022	1. Indian Celebrity Entertainers LLP*  <i>* The LLP has the Defaulting Status.</i>
6.	<b>Name:</b> Mr. Thummala Gangatharan Balaji	Originally appointed as Independent	1. Agni Chithralaaya Infra LLP*

<b>Age:</b> 56 years <b>Father's Name</b> Mr. Thummala Gangatharan <b>Designation:</b> Independent Director <b>Address:</b> 22/10, Balaji Nagar, 4 <sup>th</sup> Street, Royapettah, Chennai-600014, Tamil Nadu, India <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 00580819	Director w.e.f. April 30, 2022	* <i>The LLP has the Defaulting Status</i>
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## BRIEF BIOGRAPHIES OF OUR DIRECTORS



### Dr. Ishari Kadhivelan Ganesh

Dr. Ishari Kadhivelan Ganesh, aged 55 years, is the Promoter and Managing Director of our Company. He completed his M. Com from Pachaiyappa's College; MBA and Ph.D. from University of Madras; and B.L. from Madurai Kamaraj University. His interests range from Films, Education, Sports, Social and Cultural to Philanthropic activities. He has an experience of over 3 decades in Tamil film industry.

Dr. Ishari K. Ganesh has a deep-rooted background in Tamil film industry from the days of his father, Late Sh. Isari Velan, a renowned film personality. Dr. Ishari K. Ganesh has also made movie production in Prabhudeva Studios Pvt Ltd., a Joint Venture (JV) between him and the renowned star Mr. Prabhu Deva. Apart from handling the movie production he has also acted in many films including in the S. Shankar's directed and Rajinikanth starrer movie 2.0.

Also, in the year 1992, Dr. Ishari K. Ganesh started a college of pharmacy at Chennai and as on date in 2017 he has established 25 institutions including CBSE schools, Dental colleges, Medical colleges, Marine engineering college and established the VELS University. In these institutions more than 25,000 students are studying and nearly 5000 teaching and non-teaching staff is working. He is the founder and Chancellor of VELS University.

Dr. Ishari K. Ganesh has contributed to develop the social capital by rendering education accessible to marginalized and underprivileged people and by providing social services such as medical relief, blood donations, relief at the time of natural calamities and initiating movement for creating a participative society.

Dr. Ishari K. Ganesh has received numerous appreciations, awards and honours from many organizations including the honour of 'Kalaimamani', the highest civilian award of Tamil Nadu state, in the year 2020.



#### **Dr. Arthi Ganesh**

Dr Arthi Ganesh, aged 48 years, is a Non-Executive Director of our company. She completed her Under Graduation and Post-Graduation in Computer Science from Anna Adarsh College for Women, Master in Education (M.Ed.), C.I.D.T.T from University of Cambridge. She has also completed her Ph.D from University of Madras in the year 2016.

She is Pro-Chancellor and also one of the Trustees of Vels group of Educational Institutions. At our company, Dr. Arthi Ganesh overlooks administration of the company. She has been a co-producer in a few films in Tamil film industry.



#### **Ms. Preethaa Ganesh**

Ms. Preethaa Ganesh, aged 25 years, is a Non-Executive Director of our company. She completed her Under Graduation in Computer Science from SSN College of Engineering, and Post-Graduation in Management & Political Science from London School of Economics.

At our company she overlooks operations & distribution of films. She has been involved in project overview, script finalization, project cost analysis. She is also one of the Trustees of Vels group of Educational institutions.



#### **Justice Sankara Mudaliar Jagadeesan**

Justice Sankara Mudaliar Jagadeesan, aged 81 years, is an Independent Director at our company. He graduated from the Madras Presidency College and got his law degree from Madras Law College. He was enrolled as an advocate on October 1964.

He had attended several Central Government cases as a junior to Thiru K. Parasaran in the High Court. Later he set up his own independent practice and very soon he developed very lucrative practice in civil, criminal and writ petitions. In January 1981 he was appointed as the Tamil Nadu Government advocate on writ work. He was an Executive Committee Member and later Secretary of the Madras Bar Association.

He was appointed as Judge of Madras High Court in October 1994 from where he retired in the year 2003. He is a former President of Film Fans Association for 7 years and a former President of Hospitality Association. He was the Executive Chairman of the state Legal Aid Authority, Pondicherry till his retirement.



#### **Ms. Sangeetha Santharam**

Ms. Sangeetha Santharam, aged 43 years, is an independent director of our company. She completed her higher secondary school education from St. John's English School and Junior College, Besant Nagar, Chennai. She is an actress, dancer (Bharatanatyam and other styles), and television presenter who predominantly appears in Tamil, Telugu and Malayalam films. She is known by the name 'Rasika' in Malayalam movie industry. Making her acting debut in the mid-1990s, Ms. Sangeetha has acted in dozens of Malayalam, Kannada, Telugu and Tamil movies and have won multiple Filmfare and other awards for her role.

She is an experienced media professional committed to the artistic expression of stories and ideas in film format. A clear communicator with direction experience in both documentary and dramatic films. She is knowledgeable in setting up organization and workflow and motivational in approach.



#### **Mr. Thummala Gangatharan Balaji**

Mr. Thummala Gangatharan Balaji, aged 56 years, is an Independent Director at our company. He is a law graduate from Dr. Ambedkar Law College, Chennai, and a Bar Council Member of Tamil Nadu and Puducherry after graduating in Law from Madras University. After a few years of practice in the Madras High court he shifted his focus to the corporate sector. He holds around 25 years of experience in the construction industry. He also acts as consultant and advisor to multiple companies in construction and allied fields.

### **RELATIONSHIP BETWEEN OUR DIRECTORS**

There is no relationship between Promoter of our Company with other Directors except as described below:

Name of Director	Designation	Relation
Dr. Arthi Ganesh	Non-Executive Director	Spouse of our Promoter cum Managing Director - Dr. Ishari Kadhivelan Ganesh
Ms. Preethaa Ganesh	Non-Executive Director	Daughter of our Promoter cum Managing Director - Dr. Ishari Kadhivelan Ganesh

### **CONFIRMATIONS**

As on the date of this Prospectus:

1. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
2. The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
4. None of our Directors have interest in any property acquired by our Company within two years of the date of this Prospectus.
5. None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
7. None of the Promoter or Directors has been or is involved as a promoter or director 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.

### **REMUNERATION / COMPENSATION OF DIRECTORS**

The compensation package payable to the Directors from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on June 03, 2022 is stated hereunder:

Dr. Ishari K. Ganesh:- The total remuneration payable to Dr. Ishari K. Ganesh, Promoter and Managing Director, shall be a sum of 24 Lakhs per annum.

No remuneration is paid to the Non-Executive Directors.

Remuneration paid to the Directors during the previous F.Y. 2020 - 21 is as follows:

(Rs. In Lakhs)

Sr. No.	Name	Designation	Remuneration Paid
1.	Dr. Ishari Kadhivelan Ganesh	Managing Director	-
2.	Dr. Arthi Ganesh	Non-Executive Director	-
3.	Ms. Preetha Ganesh	Non-Executive Director	-

Our Company has not paid and will not be paying any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on April 30, 2022, the Non-Executive Directors (including independent directors) of our Company would be entitled to a sitting fee of Rs. 10,000/- for attending every meeting of Board and Rs. 5,000/- for attending every committee meeting.

#### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

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 Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Dr. Ishari Kadhivelan Ganesh	94,36,000	99.32%	72.88%
2.	Dr. Arthi Ganesh	36,000	0.38%	0.28%
3.	Ms. Preetha Ganesh	9,000	0.09%	0.07%

#### 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 interest paid on any loan or advances provided to our company, any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

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, firms, and trusts, if any, in which they are interested as directors, members, Promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be to them interested to the extent of any dividend payable and other distributions in respect of the said Equity Shares, if any.

Except as stated in this chapter "Our Management" 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 are not interested in the appointment of or acting as Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except Dr. Ishari K. Ganesh, who is the Promoter of our Company, none of the other Directors are interested in the promotion of our Company.

No loans have been availed by our Directors from our Company.

#### PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” mentioned in the chapter “*Our Business*” beginning on 87, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this 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

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Name	Date of event	Nature of event	Reason
Dr. Ishari K. Ganesh	April 30,2022	Re-designated as Managing Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Sankara Mudaliar Jagadeesan	April 30,2022	Initial Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Ms. Sangeetha Santharam	April 30,2022	Initial Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Thummala Gangatharan Balaji	April 30,2022	Initial Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Dr. Ishari K. Ganesh	October 25, 2019	Initial Appointment as Director	Company incorporation
Dr. Arthi Ganesh	October 25, 2019	Initial Appointment	Company incorporation
Ms. Preetha Ganesh	October 25, 2019	Initial Appointment	Company incorporation

#### BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on December 05, 2019 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 and its free reserves, 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 Rs. 500 Crores.



## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Prospectus, our Company has Six (6) Directors, one (1) is Managing Director, Two (2) are Non-Executive Non-Independent Woman Directors and three (3) are Independent Directors.

### Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

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

#### A) *Audit Committee*

The Audit Committee (the “Committee”) has constituted by the Board of Directors at their meeting held on 30th April 2022 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rule, 2014.

#### Composition of Audit Committee:

Name of the Director	Status	Nature of Directorship
Mr. Sankara Mudaliar Jagadeesan	Chairman	Independent Director
Mr. Thummala Gangatharan Balaji	Member	Independent Director
Dr. Ishari Kadhivelan Ganesh	Member	Managing Director

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

#### Meeting of the Audit Committee and relevant quorum

- The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

**The scope of Audit Committee shall include but shall not be restricted to the following:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Formulation of a policy on related party transactions, which shall include materiality of related party transactions and making of omnibus approval of related party transactions;
8. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report;
9. Reviewing, with the management, the quarterly, half yearly and Annual financial statements before submission to the Board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / 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;
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
12. Approval or any subsequent modification of transactions of the listed entity with related parties includes omnibus approval for related parties transactions subject to conditions as specified under rules;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial controls and risk management systems;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. 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;
18. Discussion with internal auditors of any significant findings and follow up there on;
19. 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;
20. 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;
21. 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;
22. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases

23. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24. To investigate any other matters referred to by the Board of Directors;
25. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.
26. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
27. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee enjoys following powers:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise if it considers necessary.

**The Audit Committee shall mandatorily review the following information:**

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- vi) Statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to clarifications on matters relating to the audit.

**B) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has constituted by the Board of Directors at their meeting held on 30th April 2022 in accordance with the Section 178(5) of the Companies Act 2013.

**Composition of Stakeholders Relationship Committee**

Name of the Director	Status	Nature of Directorship
Mr. Thummala Gangatharan Balaji	Chairman	Independent Director
Ms. Sangeetha Santharam	Member	Independent Director
Dr. Arthi Ganesh	Member	Non-Executive Director

The Company Secretary of the Company will act as the Secretary of the Committee.

**Meetings of the Stakeholders Relationship Committee**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting shall be two members present.

### **SCOPE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE**

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. Approve, register, refuse to register transfer or transmission of shares and other securities;
7. Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. Allotment and listing of shares;
9. Authorise affixation of common seal of the Company;
10. Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. Dematerialize or rematerialize the issued shares;
13. Ensure proper and timely attendance and redressal of investor queries and grievances;
14. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
15. Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
16. Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time;
17. Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
18. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

### **C) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has constituted by the Board of Directors at their meeting held on 30th April 2022 in accordance with the Section 178 of the Companies Act 2013.

### **Composition of Nomination and Remuneration Committee**

Name of the Director	Status	Nature of Directorship
Mr. Sankara Mudaliar Jagadeesan	Chairman	Independent Director
Mr. Thummala Gangatharan Balaji	Member	Independent Director

Dr. Arthi Ganesh	Member	Non-Executive Director
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The Company Secretary of our Company acts as the Secretary to the Committee.

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members, whichever is greater.

#### **Role of Nomination and Remuneration Committee are:**

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. 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;
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

#### **D) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has constituted by the Board of Directors at their meeting held on 30th April 2022 in accordance with the Section 135 of the Companies Act 2013.

#### **Composition of Corporate Social Responsibility Committee**

Name of the Director	Status	Nature of Directorship
Mr. Sankara Mudaliar Jagadeesan	Chairman	Independent Director
Mr. Thummala Gangatharan Balaji	Member	Independent Director
Dr. Ishari Kadhivelan Ganesh	Member	Managing Director

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The Company Secretary of our Company shall act as the Secretary of the Corporate Social Responsibility Committee.

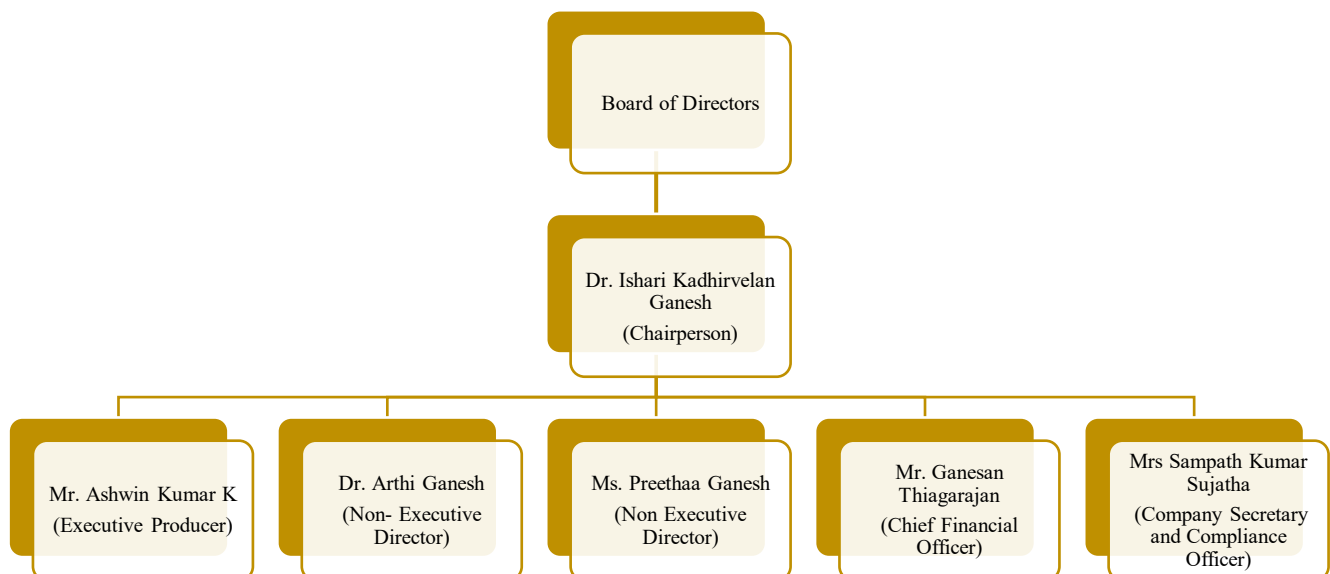
Set forth below are the terms of reference of the Corporate Social Responsibility Committee.

1. Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject as specified in Schedule VII of the Companies Act, 2013;
2. Recommending the amount of expenditure to be incurred on the CSR activities.
3. Monitoring the Corporate Social Responsibility Policy of the company from time to time.
4. Formulating and recommending to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
  - a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
  - b. The manner of execution of such projects or programmes.
  - c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - d. Monitoring and reporting mechanism for the projects or programmes; and
  - e. Details of need and impact assessment, if any, for the projects undertaken by the company.

## POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopt the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANISATIONAL STRUCTURE





## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

### Details of Key Managerial Personnel of our Company as per the Companies Act 2013 -

#### **Dr. Ishari Kadhivelan Ganesh (Managing Director)**

Dr. Ishari Kadhivelan Ganesh, aged 55 years, is the Promoter and Managing Director of our Company. He completed his M. Com from Pachaiyappa's College; MBA and Ph.D. from University of Madras; and B.L. from Madurai Kamaraj University. His interests range from Films, Education, Sports, Social and Cultural to Philanthropic activities. He has an experience of over 3 decades in Tamil film industry.

Dr. Ishari K. Ganesh has a deep-rooted background in Tamil film industry from the days of his father, Late Sh. Isari Velan, a renowned film personality. Dr. Ishari K. Ganesh has also made movie production in Prabhudeva Studios Pvt Ltd., a Joint Venture (JV) between him and the renowned star Mr. Prabhu Deva. Apart from handling the movie production he has also acted in many films including in the S. Shankar's directed and Rajinikanth starrer movie 2.0.

Also, in the year 1992, Dr. Ishari K. Ganesh started a college of pharmacy at Chennai and as on date in 2017 he has established 25 institutions including CBSE schools, Dental colleges, Medical colleges, Marine engineering college and established the VELS University. In these institutions more than 25,000 students are studying and nearly 5000 teaching and non-teaching staff is working. He is the founder and Chancellor of VELS University.

Dr. Ishari K. Ganesh has contributed to develop the social capital by rendering education accessible to marginalized and underprivileged people and by providing social services such as medical relief, blood donations, relief at the time of natural calamities and initiating movement for creating a participative society.

Dr. Ishari K. Ganesh has received numerous appreciations, awards and honours from many organizations including the honour of 'Kalaimamani', the highest civilian award of Tamil Nadu state, in the year 2020.

#### **Mr. Ganesan Thiagarajan (Chief Financial Officer)**

Mr. Ganesan Thiagarajan, aged 59 years, is the Chief Financial Officer of our company. He completed his Undergraduate and Post-Graduate in Commerce. He also completed Chartered Accountancy in May 1989 and is a member of The Institute of Chartered Accountants of India.

He has been in employment in both manufacturing and service industry for almost three decades in different positions and his previous employment was as Finance Controller with Velammal Group of Institutions for more than 12 years. Prior to taking up as CFO of Vels Film International Ltd, he was Vice President – Finance, VELS Group of Institutions.

#### **Mrs. Sampath Kumar Sujatha (Company Secretary & Compliance Officer)**

Mrs. Sampath Kumar Sujatha, aged 41 years, is the company secretary & compliance officer of our company. She has completed her Under Graduation in Commerce from Bharathidasan University and Post-Graduation from Periyar University in Financial Management from She is a qualified Company Secretary and has also completed her PhD in commerce.

She started her carrier with G. Balasubramaniam & Co., Trichy and also served as an Assistant Professor of Commerce for 8 years in K. S. Rangasamy College of Arts and Science, Tiruchengode. Her previous employment was as Company Secretary in SNJ Sugars and Products Limited for 7 years while handling secretarial activities related to Group Companies.

Note: She is also the company secretary of our subsidiary VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private limited).

### Details of Key Managerial Personnel of our Company whom we think as part of core management team and one level below the Executive Directors as per SEBI ICDR, 2018



### **Mr. Ashwin Kumar K (Executive Producer for films)**

Mr. Ashwin Kumar K, aged 35 years is the Executive Producer for the films we produce. He has studied B.Tech in IT from Anna University and MBA from University of Wales Institute, Cardiff. He has over 10 years of experience in film industry and education sector. He is also involved in the management of VKM Vidhyalaya Residential Sr. Sec School (CBSE), Omanthur Village, Tindivanam, Tamil Nadu since he believes in providing quality education in the rural area.

Mr. Ashwin Kumar K acts as a backbone and leads the Vels Film International Limited production house under the guidance of our promoter and Managing Director, Dr. Ishari K. Ganesh.

### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Our executive producer Mr. Ashwin Kumar K (KMP as per SEBI ICDR, 2018) is the son of Mrs. Mahalakshmi who is the sister of our Promoter. Other than this, there is no family relationship between the Key Managerial Personnel of our Company except .

### **FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL**

There is no family relationship between the Directors of our Company and the Key Managerial Personnel of our Company except as described below:

Name of Director	Designation	Relation
Dr. Arthi Ganesh	Non-Executive Director	Spouse of our Promoter cum Managing Director - Dr. Ishari Kadhivelan Ganesh
Ms. Preethaa Ganesh	Non-Executive Director	Daughter of our Promoter cum Managing Director - Dr. Ishari Kadhivelan Ganesh

### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

None of the KMPs hold any Equity shares of our Company as on the date of this Prospectus except the following:

Sr. No.	Name of the Shareholder	Designation	No. of Shares held
1.	Dr. Ishari K. Ganesh	Managing Director	94,36,000
2.	Mr. Ganesan Thiagarajan	Chief Financial Officer	-
3.	Mrs. Sampath Kumar Sujatha	Company Secretary & Compliance Officer	-

### **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**

No loans and advances have been given to the Key Managerial Personnel as on the date of this Prospectus.

### **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, reimbursement of expenses, lease rent on vehicles and interest on loan.

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 Key Managerial Personnel	Designation	Date of Event	Reason
Dr. Ishari K. Ganesh	Managing Director	April 30,2022	Designation changed to Managing Director from Director
Mr. Ganesan Thiagarajan	Chief Financial Officer	April 30,2022	Appointment of Chief Financial Officer
Mrs. Sampath Kumar Sujatha	Company Secretary & Compliance Officer	April 30,2022	Appointment of Company Secretary and Compliance Officer

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 does not have any ESOP/ESPS Scheme for employees.

#### PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the chapter titled “*Financial Statements*” beginning on page 136, 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

### OUR PROMOTER

#### 1. Dr. Ishari Kadhivelan Ganesh

### DETAILS OF OUR PROMOTER

#### 1. Dr. Ishari Kadhivelan Ganesh



#### Dr. Ishari Kadhivelan Ganesh

Dr. Ishari Kadhivelan Ganesh, aged 55 years, is the Promoter and Managing Director of our Company. He completed his M. Com from Pachaiyappa's College; MBA and Ph.D. from University of Madras; and B.L. from Madurai Kamaraj University. His interests range from Films, Education, Sports, Social and Cultural to Philanthropic activities. He has an experience of over 3 decades in Tamil film industry.

Dr. Ishari K. Ganesh has a deep-rooted background in Tamil film industry from the days of his father, Late Sh. Isari Velan, a renowned film personality. Dr. Ishari K. Ganesh has also made movie production in Prabhudeva Studios Pvt Ltd., a Joint Venture (JV) between him and the renowned star Mr. Prabhu Deva. Apart from handling the movie production he has also acted in many films including in the S. Shankar's directed and Rajinikanth starrer movie 2.0.

Also, in the year 1992, Dr. Ishari K. Ganesh started a college of pharmacy at Chennai and as on date in 2017 he has established 25 institutions including CBSE schools, Dental colleges, Medical colleges, Marine engineering college and established the VELS University. In these institutions more than 25,000 students are studying and nearly 5000 teaching and non-teaching staff is working. He is the founder and Chancellor of VELS University.

Dr. Ishari K. Ganesh has contributed to develop the social capital by rendering education accessible to marginalized and underprivileged people and by providing social services such as medical relief, blood donations, relief at the time of natural calamities and initiating movement for creating a participative society.

Dr. Ishari K. Ganesh has received numerous appreciations, awards and honours from many organizations including the honour of 'Kalaimamani', the highest civilian award of Tamil Nadu state, in the year 2020.

**Date of Birth:** 07/10/1966

**Nationality:** Indian

**PAN:** AAAP14538D

**Residential Address:** 5/109-D Bharathi Avenue, Injambakkam, Kanchipuram, Chennai- 600115, Tamil Nadu, India

### DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our Promoter has been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

2. Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoter have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
5. Our Promoter is not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

#### **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

#### **EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “*Our Management*” beginning on page 103.

#### **INTEREST OF OUR PROMOTER**

Our Promoter do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 56, 136 and 103.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 136.

##### ***Interest of Promoter in the Promotion of our Company***

Our Company is currently promoted by the Promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

##### ***Interest of Promoter in the Property of our Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 87 and 136 respectively, of this Prospectus, our Promoter has confirmed that she does not have any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 87 our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery

##### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoter is not interested as member of a firm or company where any sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

#### ***Interest in our Company other than as Promoter***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 87, 100, 103 and 136 respectively, our Promoter does not have any other interest in our Company.

#### **COMMON PURSUITS OF OUR PROMOTER**

Except the fact that our promoter owns a proprietorship firm with the name ‘M/s Vels Film International which is involved in the same business as that of our company, our Promoter is not involved with any ventures which are in the same line of activity or business as that of our Company.

#### **PAYMENTS OR BENEFITS TO THE PROMOTER OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 136, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Prospectus.

#### **MATERIAL GUARANTEES**

Except as stated in the “*Restated Financial Statements*” beginning on page 136, our Promoter have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

#### **OUR PROMOTER GROUP**

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

##### **a) Natural persons who are part of our Individual Promoter Group:**

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:

Sr. No.	Relationship	Dr. Ishari Kadhivelan Ganesh
1.	Father	Late Sh. Isari Velan
2.	Mother	Late Shmt. Pushpa velan
3.	Spouse	Mrs. Arti Ganesh
4.	Brother	-
5.	Sister	1. Mrs. Mahalakshmi 2. Mrs. Azhagu Tamilselvi
6.	Children	1. Ms. Preetha Ganesh 2. Ms. Kushmitha Ganesh 3. Mr. Sarvesh
7.	Spouse Father	Mr. Jothimurugan
8.	Spouse Mother	Late Mrs. Chandra

9.	Spouse Brother	-
10.	Spouse Sister	Mrs. Nithya Kalyani

**b) Companies related to our Promoter Company:**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company	NA*
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	NA*
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	NA*

\*Our company does not have any promoter company.

**a) Companies, Proprietary concerns, HUF's related to our promoter**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	i). VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private limited) ii). Arthi Associates Private Limited. iii). BMMT Institute of Education Trust iv). Kushmitha Foundation Private Limited v). VG Park Beach Resorts Private Limited vi). VGS Estates Private Limited vii). Prabhudeva Studios Private Limited viii). Vel Ganesh Foundations Private Limited ix). Velga Infotech Private Limited x). VEL Education Limited (England & Wales) xi). Kindle Kids Pte Limited (Singapore)
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	i). Higglo Private Limited (England & Wales)
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	i). M/s Vels Film International (Proprietor Dr. Ishari K. Ganesh)

For further details refer Chapter titled “Group Entities” beginning on page no. 128.

**DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years except as follows: -

Sr. No.	Name of the Promoter	Name of Concern	Date of Disassociation	Reason
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1.	Dr. Ishari Kadhivelan Ganesh	GV Studio City Limited	May 12, 2022	Due to personal reasons
2.	Dr. Ishari Kadhivelan Ganesh	G.V. Films Limited*	February 03, 2022	Due to personal reasons
3.	Dr. Ishari Kadhivelan Ganesh	MDIS - VELS Education Private Limited	December 12, 2021	Company was struck off
4.	Dr. Ishari Kadhivelan Ganesh	Indian Celebrity Entertainers LLP	March 25, 2021	Due to personal reasons

*Note: Our Promoter Dr. Ishari Kadhivelan Ganesh holds less than 20% equity shares directly or indirectly in the company G.V. Films Limited.*

#### OUTSTANDING LITIGATIONS

There is no other outstanding litigation against our Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 26 and 149 respectively.

#### RELATED PARTY TRANSACTIONS

Except as disclosed in the schedule titled “*Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” beginning on page 136, our Company has not entered into any related party transactions with our Promoter.



## OUR SUBSIDIARY

Our Company has one Subsidiary i.e. VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private Limited). The details of our Subsidiary Company are provided below:

### CORPORATE INFORMATION

VELS Studios and Entertainment Private Limited was incorporated as Innovative Studios Private Limited on September 16, 2003 under the provisions of Companies Act, 1956. The Corporate Identification Number is U74110KA2003PTC032578. Pursuant to the resolution passed in extra ordinary general meeting dated May 31, 2022 the name of the Subsidiary changed from Innovative Studios Private Limited to VELS Studios and Entertainment Private Limited. The Registered Office of the Subsidiary is situated at Plot No. 24 and 26 Bidadi Industrial Area, Ramanagaram District Bidadi, Bangalore-562109, Karnataka, India.

The previous equity shareholders of VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private Limited) were Mr. Saravana Prasad JV (82.74%), Mr. Somashekar J (17.24%), Mrs. Shashikala Venugopal (0.01%), Innovative Themes Pvt Ltd (0.01%) and Kapur Investments Pvt Ltd (0.01%) as on March 31, 2020.

Pursuant to an application vide C.P. (IB) No. 181/BB/2018 for initiation of Corporate Insolvency Resolution Process filed by Karnataka State Financial Corporation, a Financial Creditor, under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of Insolvency and Bankruptcy Board of India Rules, 2016 the company, VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private Limited), was admitted by the National Company Law Tribunal (NCLT), Bengaluru, vide its order delivered on April 11, 2019. In the 9th meeting of the Committee of Creditors held on November 28, 2019, the Committee considered and approved initiation of liquidation process. Accordingly, the Adjudicating Authority passed an order on January 06, 2020 for liquidation. An announcement inviting submissions of a Scheme of Compromise and Arrangement u/s 230 of Companies Act, 2013 was made in newspapers on 28/29 January 2020. The Liquidator appointed under Insolvency and Bankruptcy Code received a compromise proposal as per Section 230 of Companies Act from M/s Suresh Productions Entertainment LLP on March 10, 2020 which was later amended on March 19, 2020.

The National Company Law Tribunal, Bengaluru bench, passed its order (“NCLT Order”) on January 08, 2021 confirming that two out of three classes of stakeholders approved the scheme of compromise, i.e. secured creditors (unanimously), shareholders (82.76%) and unsecured creditors (70.42%) for a total sum of Rs. 37.57 Crores and also formed a supervisory committee to supervise the implementation of scheme. The supervisory committee contained four members including our company, VELS Film International Limited. Our company had signed assignment deeds with the secured creditors i.e. Axis Bank Ltd and Karnataka State Financial Corporation. Hence, both the financial institutions were not part of the committee and our company became sole secured creditor.

Post the cancellation of existing paid up capital and fresh allotment of shares on February 08, 2021 our Promoter along with our company were allotted 45,000 (31.03%) equity shares at face value of Rs. 10 each and 2,43,70,000 (100%) compulsorily convertible preference shares (CCPS) at face value of Rs. 10 each with a tenure of 15 years. The CCPS were issued against the secured debt of Rs. 23.81 Crores. Later 3,80,000 CCPS were converted into equity shares at a ratio of 1:1, making our company as the holding company of VELS Studios and Entertainment Private Limited (formerly called Innovative Studios Private Limited) w.e.f. July 26, 2021.

### OBJECTS OF MOA

As per the Memorandum of Association of VELS Studios and Entertainment Private Limited the main objects of the Company as per clause III(a) of MOA is-

*to carry on the business of production of television programmes, television serials, films, news based programmes, current affair programmes, talk shows, chat shows, game shows and any other entertainment based content, programmes in different Indian & other regional languages to broadcast on satellite television, broadband, web, internet, radio and any other broadcast medium and maintaining and managing studios, television channels and film production equipment and facilities, producing, buying, selling, import and export of content and information in print, audio, video and any other form and also to carry on business as broadcasters, channel operators, publishers in India and abroad*

## BUSINESS

Our Subsidiary, VELS Studios and Entertainment Private Limited (VSEPL), is engaged in the business of film city / film studios and parks - amusement park, theme park, water park, etc. The amusement park, theme parks, rides, etc. are under construction and is expected to be complete in FY 2024. The film city is generating revenue and in the past has hosted various regional reality shows such as Big Boss, Master Chef (regional versions), etc. VSEPL has signed “Location Hire Agreement” dated August 02, 2022 with Endemol India Private Limited for the production of *Big Boss Kannada Season 9 and/or Big Boss OTT Kannada*.

The setup of VSEPL is based in Bidadi Industrial Area, Abbanakuppe Village, Bidadi Hobli, Ramanagara District, Karnataka. The land of 49.69 acres size was purchased by VSEPL in the year 2008 from KIADB (Karnataka Industrial Areas Development Board) for a consideration of Rs. 993.82 Lakhs. Out of the total land, VSEPL sold 16.38 acres to ETA Star Property Developers Limited in the year 2009. Our subsidiary’s sale of services includes the revenue from film city and the parks whereas sale of products which constitute only a small margin of total revenue includes the sale of snacks sale by the eating zones inside the parks. VSEPL’s business activities come under entertainment sector.

Following are a few pictures of the setup our subsidiary has –



## CAPITAL STRUCTURE

The authorised share capital of VELS Studios and Entertainment Private Limited is Rs. 2,500.00 Lacs divided into 6,30,000 equity shares of Rs.10 each and 2,43,70,000 Compulsory Convertible Preference Shares of Rs.10 each.

The issued, subscribed and paid up share capital of VELS Studios and Entertainment Private Limited is Rs. 2,451.50 Lacs divided into 5,25,000 equity shares of Rs.10 each and 2,39,90,000 preference shares of Rs.10 each.

## BOARD OF DIRECTORS

The Directors of VELS Studios and Entertainment Private Limited as on the date of this Prospectus are as follows:

Name	Designation
Dr. Ishari Kadhivelan Ganesh	Director
Dr. Arthi Ganesh	Director
Ms. Preethaa Ganesh	Director
Ms. Kushmitha Kadhivelan Ganesh	Director

*Note: Our company secretary and compliance officer Ms. Sampath Kumar Sujatha is also the company secretary of VSEPL.*

## SHAREHOLDING PATTERN

The shareholding pattern of equity shareholders of VELS Studios and Entertainment Private Limited as on the date of this Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of the Issued and Paid Up Equity Share Capital
1.	VELS Film International Limited	4,05,300	77.20%
2.	Dr. Ishari Kadhivelan Ganesh	1,09,700	20.90%
3.	Dr. Arthi Ganesh	10,000	1.90%
<b>Total</b>		<b>5,25,000</b>	<b>100.00%</b>

The shareholding pattern of Compulsory Convertible Preference (CCPS) shareholders of VELS Studios and Entertainment Private Limited as on the date of this Prospectus is as follows:

Sr. No.	Name of Shareholders	No. of Preference Shares	% of the Issued and Paid Up Preference Share Capital (%)
1.	Vels Film International Limited	2,39,90,000	100.00%
<b>Total</b>		<b>2,39,90,000</b>	<b>100.00%</b>

## Terms of CCPS

- CCPS shall be convertible to equity shares of the company at any time agreed by the company and the holder of the CCPS on or before 15 years from the date of allotment.
- CCPS shall be converted into equity shares in the ratio of 1:1, whether in one or more tranches at any time after the issuance.
- Upon conversion the shares shall carry pari-passu voting rights as compared to the equity shares of the company, if the CCPS have been converted into equity shares at the applicable conversion ratio.
- In the event of the liquidation of the company the holders of CCPS will be entitled to receive the capital contributed with preference to the equity shareholders. The distribution will be in proportion to the no. of equity shares held by the shareholders.
- CCPS shareholders shall not be entitled to any preferential dividend. However, the CCPS shall be participating preference shares and shall be entitled to participate in any dividend distribution to equity shareholders on a fully diluted basis. The dividend is non-cumulative and will be paid if the company earns sufficient profit. CCPS shareholders shall have no right to claim unpaid dividend.

## INTEREST OF ISSUER COMPANY

VELS Film International Limited, our Company, holds 4,05,300 equity shares constituting 77.20% of the issued and paid-up equity shares and 2,39,90,000 CCPS constituting 100% of the issued and paid up preference shares of VELS Studios and Entertainment Private Limited as on date of this Prospectus.

## FINANCIAL INFORMATION

(Rs. In Lacs)

Particulars	March 31,2022	March 31,2021*	March 31,2020
Share Capital (including Equity and Preference Shares)	2451.50	14.50	1453.00

Reserve (Excluding Revaluation Reserve) and Surplus	(135.14)	7.56	(6597.77)
Net worth	2316.36	22.06	(5144.77)
Total Revenue	248.06	110.77	1217.55
Profit/(Loss) after Tax	(142.70)	(601.92)	(695.82)

*\*The company underwent share restructuring pursuant to NCLT order dated January 08, 2021*

#### **DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS.**

The subsidiary company has not carried out any acquisition of business undertaking, merger, amalgamation, revaluation of assets in the time period post NCLT Order on the company.

#### **SIGNIFICANT SALE OR PURCHASE BETWEEN OUR COMPANY AND SUBSIDIARIES**

Except as disclosed in the schedule titled “*Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 136, there have been no sales or purchase of products & services between our Company and our Subsidiary and which in aggregate exceed in value 10% of the total sales or purchases of our Company as on the date of the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements for Fiscal Year 2022.

#### **COMMON PURSUIT**

As per the MOA of our subsidiary, it is authorized to carry a business which is similar to ours. However, there is no conflict of interest between our Company and our Subsidiary.

#### **OTHER CONFIRMATIONS**

##### ***Listing***

We hereby confirm that:

- Our Subsidiary is not listed on any stock exchange in India or abroad.
- Our Subsidiary has not been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad.
- Our Subsidiary has not made any public or rights issue in the three years preceding the date of this Prospectus.

##### ***Sale or purchase of shares of our Subsidiary during the last six months***

Neither our Promoter, nor the members of our Promoter Group or our Directors or their relatives have sold or purchased securities of our Subsidiary during the six months preceding the date of this Prospectus.



## OUR GROUP ENTITIES

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board. Furthermore, we have also included partnership firms / proprietorships in the list of ‘Group Entities’.

Our Group Entities include:

1. Those entities disclosed as related parties in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
2. All such entities which are deemed to be material by the Board of Directors.

Our Group entities as on the date of Draft Prospectus are ranked below in terms of their turnover:

1. VELS Film International (Proprietor Dr. Ishari K. Ganesh) “VFI”
2. Kushmitha Foundations Private Limited “KFPL”
3. Prabhudeva Studios Private Limited “PSPL”
4. Arthi Associates Private Limited “AAPL”
5. VG Park Beach Resorts Private Limited “VGPBRPL”

**The top-five group entities as per their respective turnover are as follows-**

### 1. VELS Film International (Proprietor Dr. Ishari K. Ganesh) “VFI”

The Proprietorship, owned by Dr. Ishari Kadhivelan Ganesh, commenced its business in the year 2017. The PAN of the Proprietor is AAAP14538D. The Registered Office of the Proprietorship is situated at 521/2, Vels City Centre, Anna Salai, Nandanam, Chennai – 600 035, India

**VFI is into following business:-**

To carry on the business of production of television programmes, television serials, films, news based programmes, current affair programmes, talk shows, chat shows, game shows and any other entertainment, etc. in India and abroad.

### Capital Structure

As on the date of this Draft Red Herring Prospectus, the Proprietor’s Capital of VELS Film International is Rs. 1572.13 Lacs.

### Financial Performance

The brief financial details of VFI derived from its audited financial statements for Fiscals 2021, 2020 and 2019 are set forth below:

*(Rs. in Lacs)*

Audited Financial Information	For the Year Ended		
	March 31,2021	March 31, 2020	March 31,2019
Proprietor’s Capital	1,572.13	2,004.75	1,050.05
Total Revenue (Including Other Income)	2,873.45	3,945.36	226.34
Net Profit attributable to Proprietor	114.58	625.03	(316.35)

### Proprietor of the firm:

The Proprietor of M/s VELS Film International as on the date of this Prospectus is Dr. Ishari Kadhivelan Ganesh.

## Nature and extent of interest of our Promoter

Our Promoter holds 100% interest in M/s VELS Film International. Further, our Promoter, Dr. Ishari Kadhivelan Ganesh is the sole proprietor in M/s VELS Film International.

## Other Confirmations

- As on the date of this Prospectus, VELS Film International is a sole proprietorship.
- The Partnership Firm is neither a sick proprietorship nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Proprietorship.

## 2. Kushmitha Foundations Private Limited “KFPL”

The Company was incorporated on April 23, 2002 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Company is U45201TN2002PTC048810. The PAN of the Company is AACCK2270K. The Registered Office of the Company is situated at 521/2 Anna Salai, Nandanam, Chennai-600035, Tamil Nadu, India.

### KFPL is authorised under constitutional documents to undertake:-

- To buy, sell, hold, mortgage, rent, lease, or otherwise deal in real estates, develop, make layouts, constructs houses, flat, apartments, offices, factories, and otherwise carry on building construction activities as contractors or developers.

### Capital Structure:

As on the date of this Prospectus, the authorised share capital of KFPL is Rs.9,00,00,000 divided into 90,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of KFPL is Rs. 1,88,26,550 divided into 18,82,655 equity shares of Rs.10 each.

## Financial Performance

The brief financial details of KFPL derived from its audited consolidated financial statements for Fiscals 2021, 2020 and 2019 are set forth below:

(Rs. in Lacs)

Audited Financial Information	For the Year Ended		
	March 31,2021	March 31, 2020	March 31,2019
Share Capital	188.27	188.27	188.27
Reserves and Surplus	8317.98	8197.79	8028.91
Total Revenue(Includin Other Income)	475.60	1069.63	224.99
Profit/(Loss) after Tax	80.62	155.44	56.57
Basic and Diluted Earnings per Share	4.28	8.26	3.00
Net Asset Value Per Share	451.82	445.44	436.47

## Shareholding Pattern

The shareholders of KFPL holding more than 5% as on the date of this Prospectus are mentioned below:-

Sr. No.	Name of Shareholders	No. of Shares	Percentage
1.	Dr. Ishari Kadhivelan Ganesh	3,58,514	19.04%
2.	Dr. Arthi Ganesh	3,97,377	21.11%
3.	Arthi Associates Private Limited	3,00,000	15.93%
4.	Mrs. Pushpa Velan	5,88,240	31.25%
	<b>Total</b>	<b>16,44,131</b>	<b>87.33%</b>

## Board of Directors

The Directors of KFPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Dr. Ishari Kadhivelan Ganesh	Director	00269445
Dr. Arthi Ganesh	Director	00568101
Mrs. Kamala Kannan Ashwin Kumar	Director	03447494

## Nature and extent of interest of our Promoter

Our Promoter directly holds 3,58,514 (19.04%) Equity Shares in KFPL. Further, our Promoter, Dr. Ishari Kadhivelan Ganesh also holds directorship in KFPL.

## Other Confirmations

- As on the date of this Prospectus, KFPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- The Company is neither a sick Company nor is under winding up
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Company.

## 3. Prabhudeva Studios Private Limited “PSPL”

The Company was incorporated on April 30, 2015 under the provisions of the Companies Act, 2013. The Corporate Identification Number of the Company is U74900TN2015PTC100329. The PAN of the Company is AAICP2124M. The Registered Office of the Company is situated at No.521/7, 3rd Floor, Anna Salai, Nandanam Chennai- 600035, Tamil Nadu, India.

## PSPL is authorised under constitutional documents to undertake:-

- To act as Producers, distributors, purchasers, exhibitors and sellers of all kinds of films, music albums and motion pictures including either on their own or any other entity including film rights, negative and satellite rights both in the domestic and international market.
- To establish, purchase, take on lease or hire or otherwise acquire and maintain and to sell, give on lease or hire studios, laboratories, theatres, etc. for production, processing and printing of films.
- To establish, run and maintain Studios for production of Cine Films, Tele films, TV Serials, Short Films, Advertisement films, Animations Graphics films, VFX etc.
- To establish, purchase, exhibit, take on lease or hire or otherwise acquire and maintain dubbing studios, recording studios, preview theatres, film processing, dance school, Cinema hall, entertainment shows and all other allied activities relating to art, media, culture and entertainment.
- To carry on the business of exhibitions, display of films, dramatic or theatrical performances, concerts or other entertainment, of amusements or objects allied to or of similar kinds as of the company and to provide for similar kinds as of the company and to provide for the production, directions, exhibitions, representation display, whether by mechanical means or otherwise of plays, open air or other theatrical performances.

## Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Prabhudeva Studios Private Limited is Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of Prabhudeva Studios Private Limited is Rs. 89,73,920 divided into 8,97,392 Equity Shares of Rs.10 each.

## Financial Performance

The brief financial details of PSPL derived from its audited financial statements for Fiscals 2021, 2020 and 2019 are set forth below:

(Rs. in Lacs)



Audited Financial Information	For the Year Ended		
	March 31,2021	March 31, 2020	March 31,2019
Share Capital	89.74	89.74	89.74
Reserves and Surplus	241.91	353.69	437.60
Total Revenue(Including Other Income)	191.98	170.74	40.80
Profit/(Loss) after Tax	(111.77)	(83.92)	15.67
Basic Earnings per Share	(12.46)	(9.35)	1.75
Diluted Earnings per Share	(12.46)	(9.35)	1.75
Net Asset Value Per Share	36.96	49.42	58.76

### Shareholding Pattern

The shareholding pattern of PSPL as on the date of this Prospectus is mentioned below:-

Sr. No.	Name Of Shareholders	No. of Shares	Percentage
1.	Dr. Ishari Kadhivelan Ganesh	3,00,000	33.43%
2.	Mr. S Prabhudeva	3,00,000	33.43%
3.	Gadana Properties Ltd.	2,97,392	33.14%
	<b>Total</b>	<b>8,97,392</b>	<b>100.00%</b>

### Board of Directors

The Directors of PSPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Dr. Ishari Kadhivelan Ganesh	Director	00269445
Dr. Arthi Ganesh	Director	00568101
Kamala Kannan Ashwin Kumar	Director	03447494

### Nature and extent of interest of our Promoter

Our Promoter directly holds 3,00,000 Equity Shares in Prabhudeva Studios Private Limited. Further, our Promoter, Dr. Ishari Kadhivelan Ganesh also holds directorship in Prabhudeva Studios Private Limited.

### Other Confirmations

- e) As on the date of this Prospectus, PSPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- f) The Company is neither a sick Company nor is under winding up
- g) There are no defaults in meeting any statutory/bank/institutional dues.
- h) No proceedings have been initiated for economic offences against the Company.

### 4. Arthi Associates Private Limited “AAPL”

The Company was incorporated on February 13, 2002 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Company is U45202TN2002PTC048452. The PAN of the Company is AAECA0903F. The Registered Office of the Company is situated at 521 Anna Salai, Chennai-600035, Tamil Nadu, India

### AAPL is authorised under constitutional documents to undertake

- a) To buy, sell, hold. Mortgage, rent, lease, or otherwise deal in real estates, develop, make layouts, constructs houses, flat, apartments, offices, factories, and otherwise carry on building construction activities as contractors or developers.
- b) To found, open, establish, run, manage, maintain, serve and continue Educational Institutes, Service Centers, nurseries, schools, technical and management and vocational training institutes.

### Capital Structure:

As on the date of this Prospectus, the authorised share capital of AAPL is Rs. 3,00,00,000 divided into 30,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of AAPL is Rs. 29,55,000 divided into 2,95,500 equity shares of Rs. 10 each.

### Financial Performance

The brief financial details of AAPL derived from its audited financial statements for Fiscals 2021, 2020 and 2019 are set forth below:

(Rs. in Lacs)

Audited Financial Information	For the Year Ended		
	March 31,2021	March 31, 2020	March 31,2019
Share Capital	29.55	29.55	29.55
Reserves and Surplus	974.05	1514.46	1505.70
Total Revenue (Including Other Income)	136.48	140.93	1745.08
Profit/(Loss) after Tax	(540.40)	8.76	1191.73
Basic and Diluted Earnings per Share	(182.88)	2.96	403.29
Net Asset Value Per Share	339.63	512.51	519.54

### Shareholding Pattern

The shareholding pattern of AAPL as on the date of this Prospectus is mentioned below:-

Sr. No.	Name Of Shareholders	No. of Shares	Percentage
1.	Ishari Kadhivelan Ganesh	2,11,000	71.40%
2.	Arthi Ganesh	84,500	28.60%
	<b>Total</b>	<b>2,95,500</b>	<b>100.00%</b>

### Board of Directors

The Directors of AAPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Ishari Kadhivelan Ganesh	Director	00269445
Arthi Ganesh	Managing Director	00568101
Kamala Kannan Ashwin Kumar	Director	03447494

### Nature and extent of interest of our Promoter

Our Promoter holds 2,11,000 Equity Shares in AAPL. Further, our Promoter, Dr. Ishari Kadhivelan Ganesh also holds directorship in AAPL.

### Other Confirmations

- a) As on the date of this Prospectus, AAPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- b) The Company is neither a sick Company nor is under winding up
- c) There are no defaults in meeting any statutory/bank/institutional dues.
- d) No proceedings have been initiated for economic offences against the Company.

## 5. VG Park Beach Resorts Private Limited “VGPBRPL”

The Company was incorporated on January 25, 2008 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Company is U55100TN2008PTC066192. The PAN of the Company is AADCV3972A. The Registered Office of the Company is situated at 521/2 Anna Salai, Nandanam, Chennai-600035, Tamil Nadu, India.

### VGPBEPL is authorised under constitutional documents to undertake:-

- To carry on business of developing building, maintaining and running of hotels and lodging house.
- To carry on the business of running and maintaining resorts, clubs, restaurants, cafes, milk and snack bars tavern, beer houses, road houses, holiday camps, caravan sites log huts/cabins and as apartment house keepers.
- To establish, maintain and conduct and run clubs for any specific games, use and establish park lands and recreation centers, provide resort accommodation to the public with necessary facilities and amenities and for these purposes to acquire lands, grounds and other properties and to develop the same to promote any specific games indoor and outdoor, athletic sports, leisure activities and past times.
- To develop holiday resorts, build cottages, houses, flats, rooms, suites and sell or give them on lease, license or on any other basis on a time sharing or property sharing basis by days, weeks, months or in any other manner and method and or in any undivided shares with or without holiday exchange basis both in India and outside India on outright sale basis.

### Capital Structure:

As on the date of this Prospectus, the authorised share capital of VFPBRPL is Rs.1,50,00,000 divided into 15,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of VFPBRPL is Rs.1,09,70,000 divided into 10,97,000 equity shares of Rs.10 each.

### Financial Performance

The brief financial details of VGFBRLPL derived from its audited financial statements for Fiscals 2021, 2020 and 2019 are set forth below:

(Rs. in Lacs)

Audited Financial Information	For the Year Ended		
	March 31,2021	March 31, 2020	March 31,2019
Share Capital	109.70	109.70	109.70
Reserves and Surplus	(6.35)	(5.97)	(5.41)
Total Revenue(Includin Other Income)	NIL	NIL	NIL
Profit/(Loss) after Tax	(0.38)	(0.56)	(0.34)
Basic and Diluted Earnings per Share	(0.03)	(0.05)	(0.03)
Net Asset Value Per Share	9.42	9.46	9.51

### Shareholding Pattern

The shareholding of shareholders holding more than 5% of paid up capital of VGPBRPL as on the date of this Prospectus is mentioned below:-

Sr. No.	Name Of Shareholders	No. of Shares	Percentage
1.	Ishari Kadhivelan Ganesh	2,85,000	25.98%
2.	Arthi Ganesh	3,17,000	28.90%
3.	M/s Ganesh HUF	4,65,000	42.39%
	<b>Total</b>	<b>10,67,000</b>	<b>97.27%</b>

### Board of Directors

The Directors of VGPBRPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Ishari Kadhivelan Ganesh	Director	00269445
Arthi Ganesh	Director	00568101
Kamala Kannan Ashwin Kumar	Director	03447494

#### **Nature and extent of interest of our Promoter**

Our Promoter holds 2,85,000 Equity Shares in VFPBRPL. Further, our Promoter, Dr. Ishari Kadhivelan Ganesh also holds directorship in VGPBRPL.

#### **Other Confirmations**

- As on the date of this Prospectus, VGPBRPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- The Company is neither a sick Company nor is under winding up
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Company.

### **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of 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. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

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.

**SECTION VI – FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS AS RESTATED**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	Restated Consolidated Financial Statements	F-1
2	Restated Standalone Financial Statements	F-33

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**‘Auditor’s Report on the Restated Consolidated Statement of Assets and Liabilities as on September 30, 2022, March 31, 2022, Profit and Loss and Cash Flow Statement for the period ended 30th September 2022, and for the financial year ended on March 31, 2022 of Vels Film International Limited (collectively, the “Restated Consolidated Summary Statements”)**

To,  
The Board of Directors  
**VELS Film International Limited**  
No. 521/2, Anna Salai,  
Nandanam, Chennai, Tamil Nadu – 600035, India

Dear Sir/Ma’am,

1. We have examined the attached Restated Consolidated Summary Statements along with significant accounting policies and related notes of **VELS Film International Limited and its subsidiary VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited) (collectively known as “Group”)** for the period ended September 30, 2022 and for the year ended March 31, 2022 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer (“IPO”) on the SME platform of Stock Exchange having Nationwide trading terminal i.e. Emerge platform of National Stock Exchange of India Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - i. Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus / Prospectus being issued by the Company for its proposed IPO of equity shares on the Emerge platform of National Stock Exchange of India Limited; and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
3. The Restated Consolidated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on September 30, 2022 and for year ended March 31, 2022.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - i. The “**Restated Consolidated Summary Statement of Assets and Liabilities**” as set out in **Annexure 1** to this report, of the Company as at September 30, 2022 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
  - ii. The “**Restated Consolidated Summary Statement of Profit and Loss**” as set out in **Annexure 2** to this report, of the Company for the period ended September 30, 2022 and for the year ended March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Consolidated Summary Statement 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 were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.



- iii. The “**Restated Consolidated Summary Statement of Cash Flow**” as set out in **Annexure 3** to this report, of the Company for the period ended September 30 2022, and for the year ended March 31 2022 are 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 fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
5. Based on the above and also as per the reliance placed by us on the consolidated audited financial statements of the group and report thereon given by the Statutory Auditor of the Company for the period ended September 30, 2022, and for the year ended March 31, 2022 we are of the opinion that:
  - a. The Restated Consolidated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting years, if any;
  - b. The Restated Consolidated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;
  - c. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - d. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the period ended on September 30, 2022, and for the financial year ended on March 31, 2022, which would require adjustments in this Restated Consolidated Financial Statements of the Company;
  - e. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report;
  - f. Adjustments in Restated Consolidated Summary Statements have been made in accordance with the correct accounting policies, and were not required for any provisions relating to gratuity, as the same is not applicable to the company.
  - g. There was no change in accounting policies, which needs to be adjusted in the Restated Consolidated Summary Statements.
  - h. There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated Financial Statements;
  - i. The company has not proposed any dividend for the said period.

6. **Opinion:** In our opinion and to the best of information and explanation provided to us, the restated financial information of the Company, read with significant accounting policies and notes to accounts as appearing in **Annexure 4** are prepared after providing appropriate adjustments and regroupings as considered appropriate and disclosed in Annexure 4.
7. We did not Audit the Financial statement of Subsidiary, **VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)**, for the period 01<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022 and for the financial year 2021-22. These financial statements have been audited by M/s. M O J & Associates, Chartered Accountants, whose reports have been furnished to us and our opinion in so far as relates to the amount included in these Consolidated Restated Summary of Assets and Liabilities and Summary statement of Profit and Loss Accounts are solely based on the report of the other Auditor as mentioned above. Accordingly, reliance has been placed on the financial information examined by these auditors for the said periods.  
The Standalone Financials of the Subsidiary Company is qualified since the balance confirmation of trade payables has not been obtained and due to non-reliance on internal control system.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended September 30, 2022 and for the financial year ended on March 31, 2022 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (“Offer Document”) for the proposed IPO.
9. **Annexure of Restated Consolidated Financial Statements of the Company: -**
  1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
  2. Reconciliation of Consolidated Restated Profit and Loss as appearing in Annexure 4 to this report.
  3. Reconciliation of Consolidated Restated Equity/Net worth as appearing in Annexure 4 to this report.
  4. Details of Related Parties Transactions as Restated appearing in 3F in Annexure 4 to this report;
  5. Details of Consolidated Share Capital as Restated appearing in Annexure 5 to this report;
  6. Details of Consolidated Reserves and Surplus as Restated appearing in Annexure 6 to this report;
  7. Details of Minority interest as Restated appearing in Annexure 7 to this report;
  8. Details of Consolidated Long Term/Short Term Borrowings as Restated appearing in Annexure 8 to this report;
  9. Nature of Consolidated Security and Terms of Repayment for Long term Borrowings appearing in Annexure 8.1 to this report;
  10. Nature of Consolidated Security and Terms of Repayment for Short Term Borrowings appearing in Annexure 8.2 to this report;
  11. Details of Consolidated Trade Payables as Restated appearing in Annexure 9 to this report;
  12. Details of Consolidated Other Current Liabilities as Restated appearing in Annexure 10 to this report;
  13. Details of Consolidated Property Plant & Equipment as Restated appearing in Annexure 11 to this report;
  14. Details of Consolidated Deferred Tax Asset (Net) as Restated appearing in Annexure 12 to this report;
  15. Details of Consolidated Long/Short Term Loans and Advances as Restated appearing in Annexure 13 to this report;
  16. Details of Consolidated Other Non-Current Assets as Restated appearing in Annexure 14 to this report;
  17. Details of Consolidated Other Current Assets as Restated appearing in Annexure 15 to this report;
  18. Details of Consolidated Trade Receivables as Restated appearing in Annexure 16 to this report;
  19. Details of Consolidated Inventories as Restated appearing in Annexure 17 to this report;
  20. Details of Consolidated Cash and Bank Balances as Restated appearing in Annexure 18 to this report;
  21. Details of Consolidated Revenue from operations as Restated appearing in Annexure 19 to this report;
  22. Details of Consolidated Other Income as Restated appearing in Annexure 20 to this report;
  23. Details of Consolidated Direct Cost as Restated appearing in Annexure 21 to this report;
  24. Details of Consolidated WIP as restated appearing in Annexure 21A to this Report
  25. Details of Consolidated Employee Benefit Expense as restated appearing in Annexure 22 to this report
  26. Details of Consolidated Finance Cost as restated appearing in Annexure 23 to this report
  27. Details of Consolidated Other Expense as restated appearing in Annexure 24 to this report
  28. Capitalization Statement as Restated for the period ended September 30, 2022 as appearing in Annexure 25 to this report;
  29. Statement of financial indebtedness as appearing in Annexure 26
  30. Restated Statement of Dividend as appearing in Annexure 27
  31. Statement of Financial Ratios as appearing in Annexure 28

10. We, S R B R & Associates LLP, 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.
11. The preparation and presentation of the Restated Consolidated Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Restated Consolidated Financial Statements and information referred to above is the responsibility of the management of the Company.
12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. In our opinion, the above financial information contained in Annexure 1 to 28 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For S R B R & Associates LLP**  
**Chartered Accountants**  
**FRN: 004997S/S200051**

**Sd/-**  
**R. Sundararajan**  
**Partner**  
**M. No. 029814**

**UDIN: 23029814BGYMSL8611**

**Place: Chennai**  
**Date: December 21 2022**

<b>Annexure 1: Restated Consolidated Summary Statement of Assets &amp; Liabilities</b>			
<i>(Rupees in lakhs)</i>			
<b>Particulars</b>	<b>Annex. No</b>	<b>As at 30<sup>th</sup> September 2022</b>	<b>As at 31st March 2022</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	5	950.00	950.00
Reserves and surplus	6	1,063.42	929.42
Minority Interest	7	(44.08)	(18.84)
<b>Non-Current Liabilities</b>			
Long-term borrowings	8	4,583.94	4,803.21
Deferred tax liabilities (Net)	12	0.05	-
<b>Current Liabilities</b>			
Short-term borrowings	8	1,241.52	2,524.50
Trade payables	9	1,209.21	1,057.99
Other current liabilities	10	5,615.53	1,843.78
<b>TOTAL</b>		<b>14,619.59</b>	<b>12,090.06</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11		
Tangible Assets		2,719.83	2,718.13
Intangible assets		62.20	60.52
Capital Work-in-progress		2,272.14	882.62
Deferred tax assets (net)	12	-	0.13
Long-term loans and advances			-
Other Non-Current Assets	13	151.42	241.37
<b>Current Assets</b>			
Short-term loans and advances	14	3.65	3.58
Other current assets	15	5,524.49	2,578.41
Trade receivables	16	860.67	1,892.08
Inventories	17	3,012.13	3,646.36
Cash and bank balances	18	13.06	66.86
<b>TOTAL</b>		<b>14,619.59</b>	<b>12,090.06</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4, 2, 3.			

**For S R B R & Associates LLP**  
 Chartered Accountants  
 FRN: 004997S/S200051

**Sd/-**  
**R. Sundararajan**  
 Partner  
 M. No: 029814  
**Date: 21<sup>st</sup> December 2022**  
**Place: Chennai**

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ishari Ganesh Kadhivelan**  
 Managing Director  
 DIN: 00269445

**Sd/-**  
**Arthi**  
 Director  
 DIN: 00568101

**Sd/-**  
**Sampath Kumar Sujatha**  
 Company Secretary

**Sd/-**  
**Ganesan Thiagarajan**  
 Chief Financial Officer

<b>Annexure 2: Restated Consolidated Summary Statement of Profit &amp; Loss</b>			
<i>(Rupees in lakhs)</i>			
<b>Particulars</b>	<b>Annex. No</b>	<b>For the year ended 30<sup>th</sup> September 2022</b>	<b>For the year ended 31st March 2022</b>
<b>Revenue</b>			
Revenue from operations	19	4,624.27	2,662.06
Other income	20	94.70	55.86
<b>Total Revenue</b>		<b>4,718.97</b>	<b>2,717.92</b>
<b>Expenses</b>			
Direct Cost	21	3,183.18	2,989.53
Purchases of stock-in-trade			
Changes in inventories of work-in-progress	21A	634.23	(1,341.36)
Employee benefit expenses	22	92.40	49.73
Finance costs	23	202.86	332.17
Depreciation and amortization expense	11	98.79	144.38
Other expenses	24	297.96	56.18
<b>Total Expenses</b>		<b>4,509.41</b>	<b>2,230.63</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		209.56	487.29
Exceptional/Prior Period Items		-	-
<b>Profit Before Tax</b>		<b>209.56</b>	<b>487.29</b>
<b>Tax Expense:</b>			
(a) Current Tax Expense for the year		100.62	114.00
(b) Deferred Tax	12	0.18	48.02
<b>Profit (Loss) for the period before Minority Interest</b>		<b>108.77</b>	<b>325.27</b>
Minority's share of interest		(25.24)	(12.95)
<b>Profit/(Loss) for the Period</b>		<b>134.00</b>	<b>338.23</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure 4, 1, 3.			

**For S R B R & Associates LLP**

Chartered Accountants  
FRN: 004997S/S200051

**Sd/-**

**R. Sundararajan**

Partner

M. No: 029814

**Date: 21<sup>st</sup> December 2022**

**Place: Chennai**

**For and on behalf of the Board of Directors**

**Sd/-**

**Ishari Ganesh Kadhivelan**

Managing Director

DIN: 00269445

**Sd/-**

**Sampath Kumar Sujatha**

Company Secretary

**Sd/-**

**Arthi**

Director

DIN: 00568101

**Sd/-**

**Ganesan Thiagarajan**

Chief Financial Officer

<b>Annexure 3: Restated Consolidated Summary Statement of Cash Flow Statement</b>				
<i>(Rupees in lakhs)</i>				
<b>Particulars</b>	<b>For the period ended 30<sup>th</sup> September 2022</b>		<b>For the year ended 31<sup>st</sup> March 2022</b>	
<b>Cash Flow from Operating Activities</b>				
<b>Net Profit before Tax and Extra-ordinary Items*</b>		234.80		929.42
<b>Adjustments for:</b>				
Depreciation	98.79		5,076.06	
Interest and Finance Charges	202.86		332.17	
		301.65		5,408.23
<b>Operating Profit Before Working Capital Change</b>		536.44		6,337.65
<b>Adjustments For</b>				
(Increase) / Decrease in Inventory	634.23		(3,646.36)	
(Increase) / Decrease in Trade Receivables	1,031.41		(1,892.08)	
(Increase) / Decrease in short term loans and advances	(0.07)		(3.58)	
(Increase) / Decrease in Other Non-Current Assets	89.95		(241.50)	
(Increase) / Decrease in Other Current Assets	(2,946.08)		(2,578.41)	
(Increase) / Decrease in Loans and Advances	-		-	
Increase / (Decrease) in Trade payables	151.22		1,057.99	
Increase / (Decrease) in other Current Liabilities	3,771.75		1,843.78	
Increase / (Decrease) in short term borrowings	(1,282.98)		2,524.50	
Increase / (Decrease) in short term provisions	-			
		1,449.42		(2,935.52)
Income Tax paid/ provision		(100.62)		-
<b>Net Cash Used in/ from operating Activities (A)</b>		<b>1,885.25</b>		<b>3,402.12</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment and Intangible Assets	(1,491.68)		(8,737.34)	
Investment in securities	-		-	
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(1,491.68)</b>		<b>(8,737.34)</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from issue of shares	-		950.00	
Proceeds from borrowings	(219.28)		4,803.21	
Increase/(Decrease) in Minority Interest	(25.24)		(18.84)	
Financing Charges paid	(202.86)		(332.17)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(447.37)</b>		<b>5,402.20</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>				
<b>(A)+(B)+(C)</b>		<b>(53.80)</b>		<b>66.86</b>
Cash and Cash Equivalents at the beginning of the year		66.86		-
Cash and Cash Equivalents at the end of the year		13.06		66.86
<b>Net Cash and Cash Equivalents</b>				
Cash and cash Equivalents as above		13.06		66.86
Cash and Bank Balances		13.06		66.86

**For S R B R & Associates LLP**  
Chartered Accountants  
FRN: 004997S/S200051

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ishari Ganesh Kadhirvelan**  
Managing Director  
DIN: 00269445

**Sd/-**  
**Arthi**  
Director  
DIN: 00568101

**Sd/-**  
**R. Sundararajan**  
Partner  
M. No: 029814

**Sd/-**  
**Sampath Kumar Sujatha**  
Company Secretary

**Sd/-**  
**Ganesan Thiagarajan**  
Chief Financial Officer

Date: 21<sup>st</sup> December 2022

Place: Chennai



## Annexure 4-Significant Accounting Policies and Notes to Accounts

### 1. Corporate Information

Vels Film International Limited, ("the Holding Company") was incorporated on 25th October 2019 as a closely held Public Limited Company under the Provisions of Companies Act, 2013. The Company is in the business of production, distribution or exhibition of films and motion pictures.

Vels Film International Limited holds 77.20% of VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited), (VSEPL or the "Subsidiary"), which was incorporated on September 16, 2003. The Company is in the business of amusement park and Film city.

The registered office of the subsidiary is situated in Bengaluru, Karnataka.

- i. An Application for initiation of Corporate Insolvency Resolution Process filed by Karnataka State Financial Corporation, a Financial Creditor, under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of Insolvency and Bankruptcy Board of India Rules, 2016 was admitted by the National Company Law Tribunal (NCLT) Bengaluru Order, vide its order delivered on 11 Apr 2019.
- ii. In the 9th meeting of the Committee of Creditors held on 28 November 2019, the Committee considered and approved initiation of liquidation of the Company.
- iii. An announcement inviting submissions of a Scheme of Compromise or Arrangement u/s 230 of Companies Act, 2013.
- iv. The Liquidator received a compromise proposal as per Section 230 of Companies Act from M/s Suresh Productions Entertainment LLP as on 09 March 2020. The Secured creditors unanimously approved the Compromise Scheme submitted by M/s Suresh Productions Entertainment LLP on 30 Mar 2020.

Vels Film International along with its subsidiary M/s VELS Studios and Entertainment Private Limited formerly called M/s Innovative Studios Private Limited is the "Group" for consolidation purpose.

### 2. Significant Accounting Policies

#### A) Basis of preparation of Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year of the holding company.

#### B) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### C) Inventories

The company holds work in progress of movie projects which are in the process of production. All the expenses incurred directly in connection to the specified movie is added to the cost of the inventory of the corresponding movie till such date of sale or release.

Inventories of M/s Vels Studios and Entertainment Private Limited (previously known as Innovative Studios Private Limited) comprising of retail shop are valued at the lower of cost or net realizable value.

Cost of inventories comprises of all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### **D) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **E) Cash Flow Statement**

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals. The cash flows from operating, investing, and financing activities of the Company are segregated.

#### **F) Revenue Recognition**

- Revenue from sale or licensing of film is recognized when:
  - a) Persuasive evidence of a sale or licensing agreement with a customer exists and
  - b) Film is certified by authorities for release in case of own exhibition of films produced and
  - c) The film is complete and has been delivered or is available for immediate and unconditional delivery (in accordance with the terms of the arrangement) and
  - d) The customer can begin its exploitation, exhibition, or sale and
  - e) The fee is fixed or determinable and
  - f) Collection of the fee is reasonably assured.
- All other revenue relating to film production, including but not limited to, the following, is recognised on the basis of sale or licensing agreements.

<b>Nature of Income</b>	
i.	Revenue from Theatrical rights (Domestic & Overseas)
ii.	Revenue from Dubbing Rights (Domestic & Overseas)
iii.	Revenue from Satellite Rights (Domestic & Overseas)
iv.	Revenue from Music Rights (Domestic & Overseas)
v.	Revenue from Sale of Transfer of Rights (Domestic & Overseas)
vi.	Revenue from Sale of Digital Rights (Domestic & Overseas)

#### **Other income:**

All other income is recognized based on the terms of contract with third parties and corresponding billings made:

- Entry charges are recognized at the time when entry tickets are issued to visitors for entry into the park.
- Revenue from food court, Collection from conference halls, Fashion café and parties and events are recognised on accrual basis.
- Share of revenue from is recognized as per the terms of the agreement with the respective parties.
- Revenue from sale of services is recognised at the time of rendering of services and there is no significant uncertainty in the ultimate collection of the revenue.
- Other income is recognized on accrual basis except when there are significant uncertainties.

#### **G) Costs and Expenses**

Film costs include all direct costs incurred in the physical production of a film, such as the costs of story; compensation of cast, directors, producers, and extras; costs of set construction, operations, and wardrobe; costs of sound synchronization; costs of rental facilities on location; and postproduction costs (music, special effects, and editing).

Production overhead consists of the costs of the individuals and departments that have a significant (or exclusive) responsibility for the production of the film. These costs do not include administrative and general expenses.

#### **H) Property, Plant and Equipment**

##### **1. Property, Plant and Equipment**

Property, plant, and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

##### **2. Intangible Assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

##### **3. Capital Work in Progress**

The cost of asset not put to use before such date are disclosed under “Capital Work in Progress”.

##### **4. Depreciation**

Depreciation is provided for property, plant, and equipment on written down value basis to expense the cost less residual value over their estimated useful lives. Residual value being 5% of original cost of asset. The estimated useful lives and residual values are reviewed at the end of each reporting period. Useful life of assets is as prescribed under Schedule II of the Companies Act, 2013

#### **I) Foreign currency transactions and translations**

##### **Initial recognition and treatment of exchange differences**

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. They are re-translated at the exchange rate prevailing at the Balance sheet date. The unrealised gains or losses are recognised as income or expense in the Statement of Profit and Loss on restatement at the end of reporting period.

#### **J) Investments**

The cost of an investment includes acquisition charges such as brokerage, fees, and duties.

Any receivables from these investments are recognised as income in the Statement of Profit and Loss.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

#### **K) Employee Benefits**

The provisions of gratuity, provident fund and employee state insurance do not apply to the Holding Company; hence no provision is made. The company does not have the policy of compensating absences and encashment of leave.

The subsidiary has not provided for gratuity and no contributions to provident fund or employee state insurance was made during the period, although applicable.

#### **L) Borrowing Cost.**

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

In case of other borrowing costs, the interest is recognised as expenses as per terms of the borrowing, as and when they become payable.

#### **M) Segment reporting**

##### **Business Segment:**

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

The Company is engaged in only one single activity of Production of films and sale of film rights. Hence, there are no different business segments to be reported separately.

##### **Geographical Segment:**

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Company operates from only one geographical/ economic environment and hence there are no separate reportable segments

#### **N) Earnings per Share**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during period.

#### **O) Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period. Current and deferred taxes are recognised in statement of profit and loss.

##### **Current Income Taxes**

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### **P) Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable

estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

### 3. Notes on Accounts

#### A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 1,825.84 (in lakhs) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

The subsidiary company holds inventories of Rs.1,186.29 (in lakhs) at the end of reporting period.

#### B) Foreign Currency translations and transactions

Earnings in Foreign Exchange:

I. Earnings from export of services by selling of theatrical, satellite and digital rights overseas:

Type of service	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<i>(Rs. in Lakhs)</i>		
Sale of rights	163.13	251.26

Expenditure in Foreign Exchange:

Type of service	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<i>(Rs. in Lakhs)</i>		
Import of professional charges of stunt master	NIL	52.53

#### C) Deferred Tax

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022
<i>(Rs. in Lakhs)</i>		
Opening Deferred tax Asset	0.13	48.15
Tax effect of items constituting Deferred tax liability		
On expenditure allowed for Income tax purpose which was earlier disallowed (Rule 9A)	-	-
Tax effect of items constituting deferred tax assets	-	-
On expenditure disallowed for Income tax purposes	-	-
On difference in written down value of fixed assets	(0.18)	0.11
Tax effect of items constituting deferred tax assets/(Liability)	-	(48.02)
Net deferred tax Asset/(Liability) provided	(0.05)	0.13

#### D) Contingent Liabilities:

Note: The below contingent liabilities relates only to the subsidiary company.

##### (i) Income Tax Assessments

Basis the Income search conducted on November 11, 2017, the assessing officer has passed an order during the current year with the below demand. The Subsidiary Company filed an appeal against the order with Commissioner of Income Tax (Appeals).

Financial year	Amount demanded
<i>( Rs, in lakhs)</i>	
2011 – 12	115.60
2012 – 13	31.45

2015 – 16	158.84
2016 – 17	1296.29

(ii) Service Tax

FY	Authority	Date of demand	Outstanding Demand Amount (Rs. in Lakhs)
2014-15 & 2015-16	Assessing Officer	06-01-2017	19.05
2015-16 & 2016-17	Assessing Officer	06-01-2017	253.11

**E) Related party transactions:**

1. Description of related parties

a) Key Managerial Personnel (KMP)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 March 2022
1. Ishari Ganesh Kadhivelan, Managing Director 2. Ganesan Thiagarajan, Chief Financial Officer 3. Sampath Kumar Sujatha, Company Secretary	1. Ishari Ganesh Kadhivelan, Managing Director 2. Ganesan Thiagarajan, Chief Financial Officer 3. Sampath Kumar Sujatha, Company Secretary

b) Relatives of KMP (with whom transactions have taken place during the reporting period/year)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<ul style="list-style-type: none"> <li>Arthi Ganesh, Director</li> </ul>	<ul style="list-style-type: none"> <li>Arthi Ganesh, Director</li> </ul>

c) Entities where KMPs or relatives of KMPs exercise significant influence (with whom transactions have taken place during the reporting period/ year)

For the Period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<ul style="list-style-type: none"> <li>Kushmitha Foundations Private Limited</li> <li>Arthi Associates Private Limited</li> <li>VGS Estates Private Limited</li> <li>VG Park Beach Resorts Private Limited</li> <li>Prabhudeva Studios Private Limited</li> <li>GV Studio City Limited</li> <li>Vel Ganesh Foundations Private Limited</li> <li>Cybernexa Infotech Private Limited</li> <li>MDIS - Vels Education Private Limited*</li> <li>Vels Film International (Proprietor)</li> <li>BMMT Institute of Education</li> <li>Vel Chennai Warriors LLP</li> <li>Madras Elephant Estate Private Limited</li> <li>Vels Aviation Services IFSC Private Limited</li> <li>Kindle Kids International School Pte Limited, Singapore</li> <li>Vels Education Limited, England</li> </ul> <p>The below related parties are former promoters of the subsidiary company. There are no transactions during the year with the parties:</p> <ul style="list-style-type: none"> <li>Saravana Prasad J V</li> <li>Radhika Achuthan</li> <li>Upasana Mittal</li> </ul>	<ul style="list-style-type: none"> <li>Kushmitha Foundations Private Limited</li> <li>Arthi Associates Private Limited</li> <li>VGS Estates Private Limited</li> <li>VG Park Beach Resorts Private Limited</li> <li>Prabhudeva Studios Private Limited</li> <li>GV Studio City Limited</li> <li>Vel Ganesh Foundations Private Limited</li> <li>Cybernexa Infotech Private Limited</li> <li>MDIS - Vels Education Private Limited*</li> <li>Vels Film International (Proprietor)</li> <li>BMMT Institute of Education</li> <li>Vel Chennai Warriors LLP</li> <li>Madras Elephant Estate Private Limited</li> <li>Vels Aviation Services IFSC Private Limited</li> <li>Kindle Kids International School Pte Limited, Singapore</li> <li>Vels Education Limited, England</li> </ul> <p>The below related parties are former promoters of the subsidiary company. There are no transactions during the year with the parties:</p> <ul style="list-style-type: none"> <li>Saravana Prasad J V</li> <li>Radhika Achuthan</li> <li>Upasana Mittal</li> </ul> <p>Innovative Group</p> <ul style="list-style-type: none"> <li>Innovative Leisure and Entertainment Private Limited</li> </ul>

	<ul style="list-style-type: none"> <li>• Innovative Short Film (Proprietorship of Mr. Saravana prasad)</li> <li>• Innovative Arcade (Proprietorship of Mrs. Upasana Mittal)</li> <li>• Innovative Film Academy Private Limited (OPC)</li> <li>• Innovative Productions</li> <li>• Innovative Wine Park and Research Private Limited</li> <li>• Innovative Constructions (Proprietorship of Mr. Saravana prasad JV)</li> </ul> <p>Suresh Productions Group</p> <ul style="list-style-type: none"> <li>• Suresh Productions Entertainment LLP</li> <li>• Suresh Productions Private Limited</li> <li>• Suresh Ads Private Limited</li> <li>• Syamala Talkies</li> <li>• Suresh Mahal</li> <li>• Jothee Syndicate</li> <li>• Ramnaidu Charitable Trust</li> <li>• Deccan Dreams Animations LLP</li> <li>• Iriss Electronic Travel Distribution Pvt Ltd</li> <li>• Anthill Studios Private Limited</li> <li>• Kwan (South) Celebrity Services Private Limited</li> <li>• Asian Theatres Pvt Ltd.</li> </ul>
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*\*Now Stuck off*

*Note: Our Promoter and his Relative have disassociated from some of the above-named companies in last three years.*

2. Details of Related Party Transactions during the period: -

Name of the related party: Mr. Ishari Ganesh Kadhivelan				
Nature of relationship: Promoter & Managing Director				
Nature of Transaction: Advances in the nature of loans				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	943.02	5,039.00	1,664.00	4,318.02
31 <sup>st</sup> March 2022	1,140.09	4,934.87	5,131.94	943.02

Name of the related party: Vels Film International (Proprietor)				
Nature of relationship: Entities in which KMP have significant influence. KMP - Mr. Ishari Ganesh Kadhivelan				
Nature of Transaction: Advances in the nature of loans				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	583.06	1.81	0.45	584.42
31 <sup>st</sup> March 2022	560.88	47.20	25.01	583.06
Nature of Transaction: Expenses relating to movies				
Year ended	Opening balance	Receipt of services	Payments made	Closing balance
30 <sup>th</sup> September 2022	777.80	-	155.48	622.32



31 <sup>st</sup> March 2022	-	777.80	-	777.80
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Name of the related party: Mrs. Arthi Ganesh				
Nature of relationship: Director				
Nature of Transaction: Advances in the nature of loans				
Year ended	Opening balance	Loans received	Loans Repaid	Closing balance
30 <sup>th</sup> September 2022	-	-	-	-
31 <sup>st</sup> March 2022	8.24	-	8.24	-

Name of the related party: Prabhudeva Studios Private Limited				
Nature of relationship: Entities in which KMP have significant influence. KMP- Dr. Ishari Ganesh Kadhivelan				
Nature of Transaction: Advances in the nature of loans				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	95.70	-	-	95.70
31 <sup>st</sup> March 2022	85.00	17.50	6.80	95.70

Name of the related party: Arthi Associates Private Limited				
Nature of relationship: Entities in which KMP / relatives of KMP have significant influence. KMP- Dr. Ishari Ganesh Kadhivelan				
Nature of Transaction: Short term funds received				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	2,221.95	212.00	1,348.00	1,085.95
31 <sup>st</sup> March 2022	-	2,221.95	-	2,221.95
Nature of Transaction: Long term loans from related party				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1,107.28	-	-	1,107.28
31 <sup>st</sup> March 2022	-	1,150.00	42.72	1,107.28
Nature of Transaction: Interest on Loans				
30 <sup>th</sup> September 2022	0.75	59.96	-	60.70
31 <sup>st</sup> March 2022	-	94.47	93.73	0.75

Name of the related party: Kushmitha Foundations Private Limited				
Nature of relationship: Entities in which KMP have significant influence. KMP- Dr. Ishari Ganesh Kadhivelan				
Nature of Transaction: Loans				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1,017.60	-	206.00	811.60
31 <sup>st</sup> March 2022	-	1,060.00	42.40	1,017.60
Nature of Transaction: Interest on Loans				
30 <sup>th</sup> September 2022	0.32	47.92	-	48.24
31 <sup>st</sup> March 2022	-	86.62	86.30	0.32

Name of the related party: VG Park and Beach Resorts Private Limited				
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Nature of relationship: Entities in which KMP / relatives of KMP have significant influence KMP- Ishari Ganesh Kadhivelan				
Nature of Transaction: Loans				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1,447.21	-	127.60	1,319.61
31 <sup>st</sup> March 2022	-	1,496.00	48.79	1,447.21
Nature of Transaction: Interest on Loans				
30 <sup>th</sup> September 2022	1.97	74.48	-	76.45
31 <sup>st</sup> March 2022	-	113.53	111.56	1.97

Name of the related party: Mr. Ganesan Thiagarajan				
Nature of relationship: Chief Financial Officer				
Nature of Transaction: Salary				
Year ended	Opening balance	Salary provision	Salary paid	Closing balance
30 <sup>th</sup> September 2022	2.00	3.00	5.00	-
31 <sup>st</sup> March 2022	-	2.00	-	2.00

*Note: As per AS 18, KMP are those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise.*

**F) Trade Payables ageing:**

This ageing is with reference to Note 9 of the Standalone Balance Sheet as at 30th September 2022:

Ageing of Trade Payables for the year ended 30th September 2022					
(Rs. in Lakhs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	1,121.68	86.34	1.19	-	1,209.21
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2022					
(Rs. in Lakhs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	1,007.62	20.43	29.93	-	1,057.99
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

**a) Micro small and medium Enterprises**

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount

payable to such enterprises as at 31st March, 2022 has been made in the Financial Statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company states that it has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the company. Auditors have placed reliance on such information provided by the Management.

Disclosure under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

Particulars	September 30,2022	March 31,2022
Principal amount due to micro and small enterprises	-	-
Interest due on the above		

**G) Trade Receivables ageing:**

This ageing is with reference to Note 17 of the Standalone Balance Sheet as at 30th September 2022:

Ageing of Trade Receivables for the period ended 30th September 2022						
(Rs. in Lakhs)						
Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	262.24	589.50	8.93	-	-	860.67
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2022						
(Rs. in Lakhs)						
Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,887.24	-	4.85	-	-	1,892.08
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**H) CWIP Ageing:**

Amount in CWIP for a period of						
(Rs. in Lakhs)						
Capital Work in Progress under construction	Less than 1 year	1-2 years	2-3 years	More than 3 years		

30 <sup>th</sup> September 2022	1,389.52	882.62	-	-
31 <sup>st</sup> March 2022	882.62	-	-	-

**I) Disclosure for Corporate Social Responsibility:**

As per the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR.

The head wise amounts spent during the period are as follows:

Corporate Social Responsibility	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<i>(Rs. in Lakhs)</i>		
(a) amount required to be spent	Not Applicable	7.91
(b) amount of expenditure incurred,	Not Applicable	7.91
(c) shortfall at the end of the year,	Not Applicable	-
(d) total of previous years shortfall,	Not Applicable	-
(e) reason for shortfall,	Not Applicable	NA
(f) nature of CSR activities,	Not Applicable	Education and Skill Development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

**J) Statement of net assets, profit or loss**

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Amount (in lakhs)	As a % of consolidated profit or loss (post acquisition)	Amount (in lakhs)
Parent Subsidiaries Indian				
1. VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)	77.20%	1,702.79	77.20%	(101.33)

**K) Others:**

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified based on information collected by the Company.

Particulars	As at 30 <sup>th</sup> September 2022	As at 31 <sup>st</sup> March 2022
(a) principal amount & the interest due thereon unpaid at end of	Nil	Nil
(b) (i) payments made to supplier beyond appointed date	Nil	Nil

(ii) interest u/s16 of MSME Act paid to suppliers	Nil	Nil
(c) amount of interest payable for delay (for which payments were made in the year but beyond the appointed date)	Nil	Nil
(d) amount of interest accrued and remaining unpaid	Nil	Nil
(e) amount of further interest remaining payable in subsequent years until payment is made	Nil	Nil

**L) Notes on Restatement made in the Restated Consolidated Financial Information**

1. The consolidated financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. Contingent liabilities and commitments (to the extent not provided for) - A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
3. Figures have been rearranged and regrouped wherever practicable and considered necessary.
4. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
5. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
6. Realizations: In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.
7. Contractual liabilities: All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
8. Amounts in the restated consolidated financial statements: Amounts in the restated consolidated financial statements are rounded off to nearest Lakhs. Figures in brackets indicate negative values.

**M) Restatement Adjustments, Material Regroupings and Non-Adjusting items**

**a.Impact of Restatement Adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective years and its impact on profits.

Particulars	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022
<i>(Rs. In Lakhs)</i>		
Profit after tax as per audited financial statements	134.00	338.23
Adjustments to net profit as per audited financial statements		
Increase / Decrease in Expenses/Income (refer note(b)(i) below)	NIL	NIL
Excess / Short Provision for Tax/MAT (refer note(b)(ii) below)		
Differed Tax Liability / Assets Adjustments (refer note (b)(iii) below)		
Total adjustments	-	-
Restated profit before tax for the years	134.00	338.23

**Notes:**

A positive figure represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

**b. Explanatory notes for the restatement adjustments**

1. The Amount relating to the Income / Expenses have been adjusted in the period to which the same is related to & under the head the same relates to.
2. There is change in deferred tax assets / liabilities as per audited books of accounts and as per restated consolidated books for respective financial covered under the restated consolidated financial information and the same has been given effect in the year to which the same relates to.

**To give Explanatory Notes Regarding Adjustment:**

Appropriate adjustment have been made in the restated financial statement, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financial of the company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

**c. Reconciliation of restated Equity /Net worth:**

Particulars	As at 30 <sup>th</sup> September 2022	As at 31 <sup>st</sup> March 2022
<i>(Rs. In Lakhs)</i>		
Equity / Net worth as per Audited Financials	2,013.42	1,879.42
<u>Adjustment for:</u>		
Difference Pertaining to changes in Profit / Loss due to Restated Effect for the period covered in Restated Financial	NIL	NIL
Prior Period Adjustments		
Equity / Net worth as Restated	2,013.42	1,879.42

**To give Explanatory Notes Regarding Adjustment:**

Appropriate adjustment has been made in the restated consolidated financial statement, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financial of the company for all the periods and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

- N)** The Comparative figures are that of year ended 31<sup>st</sup> March 2022, while the current financials are prepared for six months period ended 30<sup>th</sup> September 2022, hence they are not comparable. Previous year figures have been regrouped and amended, including Short Term Borrowings, Short Term Provisions, etc, wherever necessary.

**For S R B R & Associates LLP**

Chartered Accountants  
FRN: 004997S/S200051

**Sd/-**  
**R. Sundararajan**  
Partner  
M.No: 029814

Date: 21<sup>st</sup> December 2022  
Place : Chennai

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ishari Ganesh Kadhivelan**  
Managing Director  
DIN: 00269445

**Sd/-**  
**Sampath Kumar Sujatha**  
Company Secretary

**Sd/-**  
**Arthi**  
Director  
DIN: 00568101

**Sd/-**  
**Ganesan Thiagarajan**  
Chief Financial Officer



Annexure 5: Restated Statement of Equity Share Capital		
(Rupees in lakhs)		
Particulars	As at 30th September 2022	As at 31st March 2022
(a) Authorized Capital		
No. of shares (in numbers)	2,00,00,000	2,00,00,000
Authorized Equity Capital (in lakhs)	2,000.00	2,000.00
(b) Issued, subscribed and fully paid-up		
No. of shares (in numbers)	95,00,000	95,00,000
Issued, subscribed and fully paid-up capital (in lakhs)	950.00	950.00
(c) Par value per equity share	10.00	10.00
(d) Reconciliation of shares		
Shares at the beginning of the reporting period	95,00,000	95,00,000
Number of shares issued during the period	-	-
Shares at the end of the reporting period	95,00,000	95,00,000
(e) (i) During the period from 1st April 2021 to 31st March 2022, the company has increased the share capital limit further by another 1,00,00,000 shares by passing resolution at the EGM of the company held at its registered office on 28th March 2022.		
(f) the rights, preferences and restrictions attaching to shares:		
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.		
The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the shareholding.		
(g) Shares held by holding company or ultimate holding company including subsidiaries or associates of the holding company - NIL		

(h) List of shareholders holding more than 5% of shares				
Class of shares / Name of shareholder	As at September 30, 2022		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs 10 each				
Ishari Ganesh Kadhivelan	94,36,000	99.30%	94,36,000	99.30%
<b>Total</b>	<b>94,36,000</b>	<b>99.30%</b>	<b>94,36,000</b>	<b>99.30%</b>

(i) Shareholding of promoters and promoter group:				
Class of shares / Name of shareholder	As at 30 <sup>th</sup> September 2022		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs 10 each				
<b><u>Promoter:</u></b>				
Ishari Ganesh Kadhivelan	94,36,000	99.30%	94,36,000	99.30%
<b><u>Promoter Group:</u></b>				
Arthi	36,000	0.38%	36,000	0.38%
Kushmitha Ganesh	9,000	0.09%	9,000	0.09%
Preethaa Ganesh	9,000	0.09%	9,000	0.09%

Pushpavelan	9,000	0.09%	9,000	0.09%
Kamala Kannan Ashwin Kumar	500	0.01%	500	0.01%
Nithya kalyani	500	0.01%	500	0.01%
<b>Total</b>	<b>95,00,000</b>	<b>100.00%</b>	<b>95,00,000</b>	<b>100.00%</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 6: Restated Statement of Reserves and Surplus**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022
(a) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	929.42	591.19
Add: Transferred from the restated summary statement of Profit & Loss for the year	299.61	469.48
Add: Post Acquisition reserves of subsidiary	(165.61)	(131.25)
<b>Total</b>	<b>1,063.42</b>	<b>929.42</b>

**Annexure 7: Restated Statement of Minority Interest**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022
Paid up value	11.97	11.97
Share of pre-acquisition profits and reserves	(17.86)	(17.86)
Share of post-acquisition profits and reserves	(38.19)	(12.95)
<b>Total</b>	<b>(44.08)</b>	<b>(18.84)</b>

**Annexure 8: Restated Statement of Borrowings**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022		As at 31st March 2022	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Term Loans				
(A) from banks	1,345.45	100.97	1,231.12	247.95
(b) Loans and advances from related parties	3,238.49	1,140.55	3,572.09	2,276.55
<b>Total</b>	<b>4,583.94</b>	<b>1,241.52</b>	<b>4,803.21</b>	<b>2,524.50</b>

**Notes:**
**8.1 Long term borrowings**

Loan from bank consists of loan borrowed from Hinduja Leyland Finance Limited repayable within a period of 120 months on a easy monthly installments basis from the month of January 2022, chargeable with a floating interest rate of 11.60% p.a. and secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109

**8.2 Short term borrowings**

There was no security mortgaged or pledged against the above loans. The terms of repayment have not been pre-determined for the above loans.

**Annexure 9: Restated Statement of Trade Payables**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022
Due of Micro and Small Enterprises (refer note below)	-	-

Due to Others	1,209.21	1,057.99
<b>Total</b>	<b>1,209.21</b>	<b>1,057.99</b>

**Notes:**

1. The Company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and the company has not obtained confirmations from the creditors regarding the same.

2. Trade Payables as on September 30, 2022 has been taken as certified by the management of the company.

**Annexure 10: Restated Statement of Other Current Liabilities**

*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022
(a) Statutory Remittances	34.90	187.09
(b) Other payables	5,063.27	1,626.91
(c) Trade advances	175.00	10.00
(d) Rental Advance	0.72	0.72
(e) Claims admitted under NCLT	-	2.36
(f) Unearned Revenue	114.29	-
(g) Expenses payable	227.35	16.71
<b>Total</b>	<b>5,615.53</b>	<b>1,843.78</b>

**Notes:**

Other payables include payable to related parties. Refer Note 3(F) to Annexure 4 for related party transactions.

**Annexure 11: Restated Statement of Property Plant and Equipment, Intangible asset and Capital Work in Progress**

*(Rupees in lakhs)*

Description	GROSS BLOCK				DEPRECIATION				WDV as at 30th September 2022	WDV as at 31st March 2022
	As at 31st March 2022	Additions during the Year	Deletions during the Year	As at 30th September 2022	As at 31st March 2022	Additions during the Year	Deletions during the year	As at 30th September 2022		
<b>(i) Property Plant &amp; Equipment</b>										
(a) Plant and Equipment	2.39	-	-	2.39	0.43	0.18	-	0.61	1.79	1.96
(b) Computer and Data Processing	92.03	2.49	-	94.52	84.60	0.47	-	85.07	9.45	7.43
(c) Office Equipment	1,276.29	4.30	-	1,280.59	1,242.07	2.68	-	1,244.74	35.85	34.22
(d) Land	905.17	-	-	905.17	-	-	-	-	905.17	905.17
(e) Building	5,179.04	-	-	5,179.04	3,441.33	89.06	-	3,530.39	1,648.64	1,737.71
(f) Furniture & fittings	314.56	45.53	-	360.09	294.22	3.99	-	298.21	61.88	20.34
(g) Vehicles	13.78	48.05	-	61.83	6.71	2.29	-	9.00	52.83	7.08
(h) Live stock	4.22	-	-	4.22	-	-	-	-	4.22	4.22
<b>Total</b>	<b>7,787.48</b>	<b>100.38</b>	<b>-</b>	<b>7,887.86</b>	<b>5,069.35</b>	<b>98.68</b>	<b>-</b>	<b>5,168.03</b>	<b>2,719.83</b>	<b>2,718.13</b>
<b>(ii) Intangible Assets</b>										
(a) Others	6.71	1.78	-	8.49	6.71	0.11	-	6.82	1.67	-
(b) Goodwill	60.52	-	-	60.52	-	-	-	-	60.52	60.52

<b>Total</b>	67.24	1.78	-	69.02	6.71	0.11	-	6.82	62.20	60.52
<b>(ii) Expenditure Under Construction</b>	882.62	1,389.52	-	2,272.14	-	-	-	-	2,272.14	882.62
<b>TOTAL</b>	<b>8,737.34</b>	<b>1,491.68</b>	<b>-</b>	<b>10,229.02</b>	<b>5,076.06</b>	<b>98.79</b>	<b>-</b>	<b>5,174.85</b>	<b>5,054.17</b>	<b>3,661.28</b>

<i>(Rupees in lakhs)</i>										
Description	GROSS BLOCK			DEPRECIATION					WDV as at 31st March 2022	WDV as at 31st March 2021
	As at 31st March 2021	Additions during the Year	Deletions during the Year	As at 31st March 2022	As at 31st March 2021	Additions during the Year	Deletions during the year	As at 31st March 2022		
<b>(i) Property Plant &amp; Equipment</b>										
(a) Plant and Equipment		2.39		2.39		0.43		0.43	1.96	-
(b) Computer and Data Processing	91.11	0.92		92.03	84.20	0.40	-	84.60	7.43	6.91
(c) Office Equipment	1,269.73	6.56		1,276.29	1,238.78	3.29	-	1,242.07	34.22	30.94
(d) Land	905.17	-	-	905.17	-	-	-	-	905.17	905.17
(e) Building	5,179.04	-	-	5,179.04	3,236.08	205.25	-	3,441.33	1,737.71	1,942.95
(f) Furniture & fittings	314.56	-	-	314.56	292.21	2.00	-	294.22	20.34	22.35
(g) Vehicles	6.89	6.89	-	13.78	6.41	0.29	-	6.71	7.08	0.48
(h) Live stock	4.11	0.11	-	4.22	-	-	-	-	4.22	4.11
<b>Total</b>	<b>7,770.61</b>	<b>16.88</b>	<b>-</b>	<b>7,787.48</b>	<b>4,857.69</b>	<b>211.66</b>	<b>-</b>	<b>5,069.35</b>	<b>2,718.13</b>	<b>2,912.92</b>
<b>(ii) Intangible Assets</b>										
(a) Others	6.71		-	6.71	6.35	0.36	-	6.71	-	0.36
(b) Goodwill	-	60.52	-	60.52	-	-	-	-	60.52	-
<b>Total</b>	<b>6.71</b>	<b>-</b>	<b>-</b>	<b>67.24</b>	<b>6.35</b>	<b>0.36</b>	<b>-</b>	<b>6.71</b>	<b>60.52</b>	<b>0.36</b>
<b>(ii) Expenditure Under Construction</b>	<b>-</b>	<b>882.62</b>	<b>-</b>	<b>882.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882.62</b>	<b>-</b>
<b>TOTAL</b>	<b>7,777.32</b>	<b>960.02</b>	<b>-</b>	<b>8,737.34</b>	<b>4,864.04</b>	<b>212.02</b>	<b>-</b>	<b>5,076.06</b>	<b>3,661.28</b>	<b>2,913.28</b>

**Note:**

\*a) Towards reconstruction of VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited) post acquisition of the change in shareholders.  
b) Interest on borrowings of Rs.80.36 (in lakhs) has been capitalised during the period w.r.t to the loans taken from Hinduja Leyland Finance Limited.

c) The interest debited w.r.t loans obtained by VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited) from VELS Film International Limited has been removed from the Capital Work-in progress for the purpose of consolidation. Correspondingly, the Consolidated Income is also removed.

d) The Goodwill under Intangible Assets is the difference between the cost of acquisition (purchase consideration) of control in the subsidiary by the Holding Company and the pre-acquisition reserves.

Refer Note 3(H) to Annexure 4 for Ageing analysis of Capital Work-in-progress

**Annexure 12: Restated Statement of Deferred Tax Assets/Liabilities**
*(Rupees in lakhs)*

Particulars	As on September 30, 2022	As at March 31, 2022
<b>Deferred Tax Assets &amp; Liabilities Provision</b>		
WDV As Per Companies Act 2013	26.03	2.69
WDV As Per Income Tax Act	25.84	3.12
<b>Difference in WDV</b>	<b>0.19</b>	<b>(0.43)</b>
Adjustments as per Rule 9A of the Income Tax Rules	-	191.22
<b>Total Timing Difference</b>	<b>0.19</b>	<b>190.78</b>
Tax Rate as per Income Tax	0.25	0.25
(DTA) / DTL	0.05	48.02
<b>Deferred Tax Assets &amp; Liabilities Summary</b>		
<b>Opening Balance of (DTA) / DTL</b>	(0.13)	(48.15)
Add: Provision for the Year	0.18	48.02
<b>Closing Balance of (DTA) / DTL</b>	<b>0.05</b>	<b>(0.13)</b>

**Notes:**

1. In accordance with accounting standard 22, Accounting for taxes on income, issued by the institute of Chartered Accountant of India, the Deferred Tax Assets (net of Liabilities) is provided in the books of account as at the end of the year.

**Annexure 13: Restated Statement of Loans and Advances**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022		As at 31st March 2022	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Other loans and advances	-	3.65		3.58
<b>Total</b>	<b>-</b>	<b>3.65</b>		<b>3.58</b>

**Annexure 14: Restated Statement of Other Non-Current Assets**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022
(a) Other non-current assets	151.42	241.37
<b>Total</b>	<b>151.42</b>	<b>241.37</b>

**Annexure 15: Restated Statement of Other Current Assets**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022
(a) Balance with Revenue Authorities	400.00	256.17
(b) Advance Payment to Suppliers	1,128.09	764.62
(c) Security Deposits	106.33	81.03
(d) Income Accrued but bill not booked	2,418.33	-
(d) Other current assets	1,471.75	1,476.58
<b>Total</b>	<b>5,524.49</b>	<b>2,578.41</b>

**Notes:**

1. Balance with Revenue authorities shall consist of Income tax authorities.
2. No Securities have been taken by the company against advances given to suppliers.

**Annexure 16: Restated Statement of Trade Receivables**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022
Unsecured and Considered Good		
Outstanding for more than 6 Months	262.24	4.85
Outstanding for less than 6 Months	598.43	1,887.23
<b>Total</b>	<b>860.67</b>	<b>1,892.08</b>

**Notes:**

1. As per the view of the Management of the Company there is no doubtful debt and hence provisions for doubtful debts have not been made.
2. Trade Receivables as on September 30, 2022 has been taken as certified by the Management of the Company.
3. The figures disclosed above are based on the restated consolidated summary statement of assets & liabilities of the company.
4. The above statement should be read with the restated consolidated statement of assets & liabilities, restated consolidated statement of Profit & Loss, restated consolidated statement of Cash flow, significant accounting policies & notes to restated consolidated summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 17: Restated Statement of Inventories**

<i>(Rupees in lakhs)</i>		
Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022
Opening balance of:		
(a) Raw materials	-	-
(b) Work-in-progress	2,460.06	1,118.71
(c) Finished goods	-	
(d) Other Inventories	1,186.29	1,186.29
<b>Total</b>	<b>3,646.36</b>	<b>2,305.00</b>
Closing balance of:		
(a) Raw materials	-	-
(b) Work-in-progress	1,825.84	2,460.06
(c) Finished goods	-	-
(d) Other Inventories	1,186.29	1,186.29
<b>Total</b>	<b>3,012.13</b>	<b>3,646.36</b>

**Notes:**

Value of Inventories as on September 30, 2022 has been taken as certified by the management of the company.

**Annexure 18: Restated Statement of Cash and Bank Balances**

<i>(Rupees in lakhs)</i>		
Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022
(a) Balances with banks	8.78	65.99
(b) Cash on hand	3.78	0.37
(c) Deposit with Banks	0.51	0.51
<b>Total</b>	<b>13.06</b>	<b>66.86</b>

**Annexure 19: Restated Statement of Revenue from Operations**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 30 <sup>th</sup> September 2022	For the year ended 31st March 2022
(a) Sale of products	-	1.14
(b) Sale of services		
-Domestic	4,461.14	2,409.67
-Export	163.13	251.26
<b>Total</b>	<b>4,624.27</b>	<b>2,662.06</b>

**Note for Annexure 19 to 24:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the company.
2. The above statement should be read with the restated consolidated statement of assets & liabilities, restated consolidated statement of Profit & Loss, restated consolidated statement of Cash flow, significant accounting policies & notes to restated consolidated summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 20: Restated Statement of Other Income**

<i>(Rupees in lakhs)</i>
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Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022
(a) Other income	94.70	11.89
(b) Balances written off	-	43.97
<b>Total</b>	<b>94.70</b>	<b>55.86</b>

**Notes:**

1. The classification of 'Other Income' as recurring or non-recurring and related or non-related to business activity is based on the current operations and business activities of the Company, as determined by the management.

**Annexure 21: Restated Statement of Direct Cost**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022
Technician Payment	366.16	1,296.77
Artists related Expenses	497.79	307.04
Art Dept.	484.95	204.87
Bata Expenses	229.69	202.74
Shooting Expenses	1,610.59	978.11
<b>Total</b>	<b>3,183.18</b>	<b>2,989.53</b>

**Annexure 21A: Restated Statement of Finished Goods, Work in Progress and Stock in Trade**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022
Closing balance of:		
work-in-progress	1,825.84	2,460.06
finished goods	1,186.29	1,186.29
Opening balance of:		
work-in-progress	2,460.06	1,118.71
finished goods	1,186.29	1,186.29
<b>Total</b>	<b>634.23</b>	<b>(1,341.36)</b>

**Annexure 22: Restated Statement of Employee Benefit Expense**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022
(i) salaries and wages	88.02	47.92
(ii) staff welfare expenses	4.38	1.81
<b>Total</b>	<b>92.40</b>	<b>49.73</b>

**Annexure 23: Restated Statement of Finance Cost**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022
(a) Interest expense	202.86	332.17
<b>Total</b>	<b>202.86</b>	<b>332.17</b>

**Annexure 24: Restated Statement of Other Expenses**

<i>(Rupees in lakhs)</i>		
Particulars	For the year ended 31st March 2022	
(a) Payments to the auditors for		
(i) Statutory audit	2.75	2.50
(ii) for taxation matters	0.25	0.50



(iii) for other services	0.25	0.50
(b) Expenditure incurred on CSR activities	-	7.91
(c) Power & Fuel	38.27	-
(d) Rent	6.55	9.55
(e) Repairs to buildings	3.30	-
(f) Repairs to Machinery	43.79	-
(g) Rates, Taxes, excluding taxes on income	52.66	-
(h) Professional Charges	37.51	19.87
(i) Bank Charges	0.28	0.99
(j) Printing and Stationary	0.28	0.41
(k) Distribution expenses	-	1.57
(l) Refreshment expenses	0.33	2.88
(m) Canteen charges	60.22	-
(n) Donation	-	2.00
(o) Business Promotion	16.68	5.58
(p) Others	34.84	1.01
(q) Applicable net gain/loss on foreign currency transactions and translation of transactions	-	0.90
<b>Total</b>	<b>297.96</b>	<b>90.72</b>

**Annexure 25: Restated Statement of Capitalisation**

<i>(Rupees in lakhs)</i>		
Particulars	Pre-Issue	Post Issue
<b>Borrowings</b>		
Short-Term	1,140.55	1,140.55
Long-Term (Including Current Maturities) (A)	4,684.91	4,684.91
<b>Total Borrowings (B)</b>	<b>5,825.46</b>	<b>5,825.46</b>
<b>Shareholders' Funds</b>		
Share capital	950.00	1,290.80
Reserves & Surplus	1,063.42	4,096.54
<b>Total Shareholders' Fund (C)</b>	<b>2,013.42</b>	<b>5,387.34</b>
<b>Long-Term Borrowings/Total Shareholders' Fund (A/C)</b>	<b>2.33</b>	<b>0.87</b>
<b>Total Borrowings/Total Shareholders' Fund (B/C)</b>	<b>2.89</b>	<b>1.08</b>

**Notes:**

1. A short-term borrowing implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also include the current maturities of long-term borrowings (included in other current liabilities).
2. The above ratios have been computed on the basis of the Restated consolidated Summary Statement of Assets and Liabilities of the Company.
3. The above statement should be read with the Statement of Notes to the Restated consolidated Financial Information of the Company.

**Annexure 26: Restated Statement of Financial Indebtedness**

<i>(Rs. in Lakhs)</i>								
Name of Bank/Party	Currency	Type of	Sanctioned	Rate of Interest	As at 30th	Repayment	Prepayment	Security

		Facility	Amount		September 2022	schedule of loans	and penalty	
Arthi Associates Private Limited	Indian	Term Loan	1150.00	12.00%	1,107.28	Repayable on Demand	N.A.	Unsecured
Kushmitha Foundations Private Limited	Indian	Term Loan	1060.00	12.00%	811.60	Repayable on Demand	N.A.	Unsecured
VG Park Beach Resorts Private Limited	Indian	Term Loan	1496.00	12.00%	1,319.61	Repayable on Demand	N.A.	Unsecured
Bank of Baroda	Indian	Term Loan	20.00	7.80%	18.99	Term Loan	N.A.	Secured by hypothecation of vehicle
Hinduja Leyland Finance Limited	Indian	Term Loan	1500.00	11.60 %	1,427.42	Term Loan	N.A.	Secured by Plot
Arthi Ganesh (Vels)	Indian	Short Term	N.A.	Nil	8.24	Repayable on Demand	N.A.	Unsecured
Saravana Prasad	Indian	Short Term	N.A.	Nil	3.62	Repayable on Demand	N.A.	Unsecured
Vels Film International Ltd	Indian	Short Term	N.A.	6.00%	3,904.83	Repayable on Demand	N.A.	Unsecured
Ishari K Ganesh	Indian	Short Term	N.A.	Nil	42.74	Repayable on Demand	N.A.	Unsecured
Notes: 1. The figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company. 2. The above Statement should be read with the Restated Summary Statement of Significant Accounting Policies, Restated Summary Statements and the Restated Summary Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per Audited Financial Statements in Annexure 2								

Annexure 27: Restated Statement of Dividend		
(Rs. in Lakhs)		
Particulars	As at 30 <sup>th</sup> September 2022	As at 31 <sup>st</sup> March 2022
Share capital		
Equity Share Capital	950.00	950.00
Dividend on equity shares	NOT APPLICABLE	
Dividend in %		
Interim Dividend		
Note: The above Statement should be read with the Restated Summary Statement of Significant Accounting Policies, Restated Summary Statement of Notes to Restated Summary Statements and the Restated Summary Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per Audited Financial Statements in Annexure 2.		

Annexure 28: Restated Statement of Financial Ratios
(Rs. in Lakhs)

Sr. No	Particulars	For the year ended September 30, 2022	For the year ended March 31, 2022
A	Net worth, as restated (Rs. in lakhs)	2,013.42	1,879.42
B	Profit after tax, as restated (Rs. in lakhs)	134.00	338.23
C	Weighted average number of equity shares outstanding during the year	95,00,000	95,00,000
D	Number of shares outstanding at the end of the year	95,00,000	95,00,000
	<b>Earnings per share</b>		
E	Basic / Diluted earnings per share (Rs.) (B/C)	1.41	3.56
F	Return on Net Worth (%) (B/A*100)	6.66%	18.00%
G	<b>Net asset value per equity share of Rs.10/- each (Rs.) (A/C)</b>	21.19	19.78
H	Face value of equity shares (Rs.)	10	10
I	<b>Earnings Before Interest Taxes, Depreciation &amp; Amortization (EBITDA) (Rs in Lakhs)</b>	511.21	963.84
Notes			
<p>1. The ratios have been computed as per the following formulas:</p> <p><b>1. Basic Earnings per Share:</b>  <math display="block">\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the period}}</math></p> <p><b>2. Diluted Earnings per Share:</b>  <math display="block">\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the period} + \text{Diluted Shares at the end of the period}}</math></p> <p><b>3. Net Asset Value (NAV) per Equity Share:</b>  <math display="block">\frac{\text{Restated Net worth of Equity Share Holders}}{\text{Weighted average number of equity shares outstanding at the end of the period}}</math></p> <p><b>4. Return on Net worth (%):</b>  <math display="block">\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net worth of Equity Shareholders}}</math></p>			
2. EBITDA represents earnings (or profit/ (loss)) before finance costs, income taxes, and depreciation and amortization expenses. Extraordinary and exceptional items have been considered in the calculation of EBITDA as they were expense items.			
3. Net Profit as restated, as appearing in the consolidated statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated consolidated financial information of the Company.			
4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted for the number of equity shares issued during the year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.			
5. Net worth for the ratios represents sum of share capital and reserves and surplus (share premium and surplus in the Restated Consolidated Summary Statement of Profit and Loss).			
6. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.			

**‘Auditor’s Report on the Restated Standalone Statement of Assets and Liabilities as on September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 Profit and Loss and Cash Flow statement for the years ended on 30<sup>th</sup> September 2022, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 of Vels Film International Limited (collectively, the “Restated Standalone Summary Statements”)**

To,  
The Board of Directors  
**Vels Film International Limited**  
No. 521/2, Anna Salai,  
Nandanam, Chennai, Tamil Nadu – 600035, India

Dear Sir/Ma’am,

1. We have examined the attached Restated Standalone Summary Statements along with significant accounting policies and related notes of **Vels Film International Limited (the “Company”)** for the period 30<sup>th</sup> September 2022 and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer (“IPO”) on the SME platform of Stock Exchange having nationwide trading terminal i.e. Emerge Platform of National Stock Exchange of India Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - i. Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments /clarifications from time to time;
  - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus /Prospectus being issued by the Company for its proposed IPO of equity shares on the Emerge Platform of National Stock Exchange of India Limited.; and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
3. The Restated Standalone Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended September 30, 2022, and for the financial years ended on March 31, 2022, March 31, 2021, and March 31, 2020.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made there in, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Restated Standalone Summary Statement of Assets and Liabilities**” set out in Annexure 1 to this report, of the Company as at September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020 are prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, where applicable as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts set out in Annexure 4 to this Report.
  - (ii) The “**Restated Standalone Summary Statement of Profit and Loss**” as set out in Annexure 2 to this report, of the Company for the years ended September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020 are prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, where applicable as in our opinion was appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.

- (iii) The “**Restated Standalone Summary Statement of Cash Flow**” asset out in Annexure 3 to this report, of the Company for the years ended September 30,2022, March 31, 2022, March 31, 2021, and March 31, 2020 are 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 fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
5. Based on the above and also as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial years ended September 30,2022, March 31, 2022, March 31, 2021, and March 31,2020 we are of the opinion that:
- The Restated Standalone Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting years, if any;
  - The Restated Standalone Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;
  - Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on September 30,2022, March 31, 2022, March 31, 2021, and March 31, 2020 which would require adjustments in this Restated Standalone Financial Statements of the Company;
  - Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure4 to this report;
  - Adjustments in Restated Standalone Summary Statements have been made in accordance with the correct accounting policies, and were not required for any provisions relating to gratuity, as the same is not applicable to the company.
  - There was no change in accounting policies, which needs to be adjusted in the Restated Standalone Summary Statements.
  - There are no revaluation reserves, which need to be disclosed separately in the Restated Standalone Financial Statements;
  - The company has not proposed any dividend for the said period.
6. **Opinion:** In our opinion and to the best of information and explanation provided to us, the restated financial information of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure 4 are prepared after providing appropriate adjustments and regroupings as considered appropriate and disclosed in Annexure 4
7. Audit for the period ended 30<sup>th</sup> September 2022 and for the Financial Years 2021-22, 2020-21 and 2019-20 has been conducted by us. Accordingly, reliance has been placed on the financial information examined by us for the said years. The financial report included for these years is based solely on the report submitted by us for the said years.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended 30<sup>th</sup> September 2022 and for the financial years ended on March 31, 2022, March 31,2021, and March 31,2020 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (“Offer Document”) for the proposed IPO.
9. Annexure of Restated Standalone Financial Statements of the Company: -

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
  2. Reconciliation of Restated Profit and Loss as appearing in Annexure 4 to this report.
  3. Reconciliation of Restated Equity / Net worth as appearing in Annexure 4 to this report.
  4. Details of Related Parties Transactions as Restated appearing in 3F in Annexure 4 to this report;
  5. Details of Share Capital as Restated appearing in Annexure 5 to this report;
  6. Details of Reserves and Surplus as Restated appearing in Annexure 6 to this report;
  7. Details of Long Term / Short Term Borrowings as Restated appearing in Annexure 7 to this report;
  8. Nature of Security and Terms of Repayment for Long term Borrowings appearing in Annexure 7.1 to this report;
  9. Nature of Security and Terms of Repayment for Short Term Borrowings appearing in Annexure 7.2 to this report;
  10. Details of Trade Payables as Restated appearing in Annexure 8 to this report;
  11. Details of Other Current Liabilities as Restated appearing in Annexure 9 to this report;
  12. Details of Short-term Provisions as Restated appearing in Annexure 10 to this report;
  13. Details of Property Plant & Equipment as Restated appearing in Annexure 11 to this report;
  14. Details of Deferred Tax Asset (Net) as Restated appearing in Annexure 12 to this report;
  15. Details of Non-Current Investments as Restated appearing in Annexure 13 to this report;
  16. Details of Long / Short Term Loans and Advances as Restated appearing in Annexure 14 to this report;
  17. Details of Other Current Assets as Restated appearing in Annexure 15 to this report;
  18. Details of Trade Receivables as Restated appearing in Annexure 16 to this report;
  19. Details of Inventories as Restated appearing in Annexure 17 to this report;
  20. Details of Cash and Bank Balances as Restated appearing in Annexure 18 to this report;
  21. Details of Revenue from operations as Restated appearing in Annexure 19 to this report;
  22. Details of Other Income as Restated appearing in Annexure 20 to this report;
  23. Details of Direct Cost as Restated appearing in Annexure 21 to this report;
  24. Details of WIP as restated appearing in Annexure 21A to this Report
  25. Details of Employee Benefit Expense as restated appearing in Annexure 22 to this report
  26. Details of Finance Cost as restated appearing in Annexure 23 to this report
  27. Details of Other Expense as restated appearing in Annexure 24 to this report
  28. Statement of Tax Shelter as Restated appearing in Annexure 25 to this report
  29. Capitalization Statement as Restated for the year ended September 30,2022 as appearing in Annexure 26 to this report;
  30. Statement of financial indebtedness as appearing in Annexure 27
  31. Restated Statement of Dividend as appearing in Annexure 28
  32. Statement of Financial Ratios as appearing in Annexure 29
10. We, S R B R & Associates LLP, 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.
  11. The preparation and presentation of the Restated Standalone Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Restated Standalone Financial Statements and information referred to above is the responsibility of the management of the Company.
  12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to the rein.
  13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  14. In our opinion, the above financial information contained in Annexure 1 to 27 of this report read with the respective Significant Accounting Policies and Notes to Accounts set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our

consent in writing.

**For S R B R & Associates LLP**  
**Chartered Accountants**  
**FRN: 004997S/S200051**

**Sd/-**  
**R. Sundararajan**  
**Partner**  
**M. No. 029814**

**UDIN: 23029814BGYMSK6055**

**Place: Chennai**  
**Date: 21<sup>st</sup> December 2022**



Annexure 1: Restated Standalone Summary Statement of Assets & Liabilities					
(Rupees in lakhs)					
Particulars	Annex. No	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Equity and Liabilities</b>					
<b>Shareholders' Funds</b>					
Share capital	5	950.00	950.00	950.00	10.00
Reserves and surplus	6	1,360.28	1,060.67	591.19	(1.33)
<b>Non-Current Liabilities</b>					
Long-term borrowings	7	3,251.24	3,572.09	-	-
Deferred tax liabilities (Net)	12	0.05	-	-	-
<b>Current Liabilities</b>					
Short-term borrowings	7	1,092.19	2,221.95	-	-
Trade payables	8	1,104.72	990.78	204.60	23.78
Other current liabilities	9	5,399.15	1,820.90	2,128.35	759.53
Short term provisions	10	-	-	70.54	-
<b>TOTAL</b>		<b>13,157.62</b>	<b>10,616.39</b>	<b>3,944.68</b>	<b>791.98</b>
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	11				
(i) Tangible Assets		26.03	2.69	0.16	-
(ii) Capital Work-in progress		-	-	-	-
(iii) Intangible assets		-	-	-	-
Deferred tax assets (net)	12	-	0.13	48.15	-
Non-current investments	13	2,439.59	2,439.59	2.50	-
Long-term loans and advances	14	3,903.11	1,981.08	2,449.73	100.00
<b>Current Assets</b>					
Short-term loans and advances	14	3.65	3.58	10.23	0.93
Other current assets	15	4,173.31	1,785.76	282.00	18.07
Trade receivables	16	779.88	1,881.78	29.71	-
Inventories	17	1,825.84	2,460.06	1,118.71	672.80
Cash and bank balances	18	6.22	61.72	3.50	0.18
<b>TOTAL</b>		<b>13,157.62</b>	<b>10,730.39</b>	<b>4,121.84</b>	<b>791.98</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4, 2, 3.					

**For S R B R & Associates LLP**

Chartered Accountants  
FRN: 004997S/S200051

Sd/-  
**R. Sundararajan**  
Partner  
M. No: 029814

**Date: 21<sup>st</sup> December 2022**  
**Place: Chennai**

**For and on behalf of the Board of Directors**

Sd/-  
**Ishari Ganesh Kadhivelan**  
Managing Director  
DIN: 00269445

Sd/-  
**Sampath Kumar Sujatha**  
Company Secretary

Sd/-  
**Arthi**  
Director  
DIN: 00568101

Sd/-  
**Ganesan Thiagarajan**  
Chief Financial Officer

<b>Annexure 2: Restated Standalone Summary Statement of Profit &amp; Loss</b>					
<i>(Rupees in Lakhs)</i>					
<b>Particulars</b>	<b>Annex. No</b>	<b>For the period ended 30<sup>th</sup> September 2022</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>Revenue</b>					
Revenue from operations	19	4,445.16	2,644.25	2,601.37	-
Other income	20	116.13	91.58	-	-
<b>Total Revenue</b>		<b>4,561.29</b>	<b>2,735.83</b>	<b>2,601.37</b>	<b>-</b>
<b>Expenses</b>					
Direct Costs	21	3,183.18	3,018.78	2,215.75	672.80
Purchases of stock-in-trade		-	-	-	-
Changes in inventories of work-in-progress	21A	634.23	(1,341.36)	(445.91)	(672.80)
Employee benefit expenses	22	31.30	18.37	13.56	-
Finance costs	23	202.86	332.17	7.10	-
Depreciation and amortization expense	11	1.64	1.00	0.13	-
Other expenses	24	107.68	75.38	18.67	1.33
<b>Total Expenses</b>		<b>4,160.88</b>	<b>2,104.34</b>	<b>1,809.30</b>	<b>1.33</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>400.41</b>	<b>631.49</b>	<b>792.07</b>	<b>(1.33)</b>
Exceptional/Prior Period items		-	-	-	-
<b>Profit Before Tax</b>		<b>400.41</b>	<b>631.49</b>	<b>792.07</b>	<b>(1.33)</b>
Tax expense:					
(a) Current Tax Expense for the year		100.62	114.00	247.70	-
(b) Deferred Tax		0.18	48.02	(48.15)	-
<b>Profit (Loss) for the period</b>		<b>299.61</b>	<b>469.48</b>	<b>592.52</b>	<b>(1.33)</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure 4, 1, 3.					

**For S R B R & Associates LLP**

**Chartered Accountants**  
**FRN: 004997S/S200051**

**Sd/-**  
**R. Sundararajan**  
 Partner  
 M.No: 029814

**Date: 21<sup>st</sup> December 2022**  
**Place: Chennai.**

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ishari Ganesh Kadhivelan**  
 Managing Director  
 DIN: 00269445

**Sd/-**  
**Sampath Kumar Sujatha**  
 Company Secretary

**Sd/-**  
**Arthi**  
 Director  
 DIN: 00568101

**Sd/-**  
**Ganesan Thiagarajan**  
 Chief Financial Officer

**Annexure 3: Restated Standalone Summary Statement of Cash Flow Statement**
*(Rupees in lakhs)*

Particulars	2021-22		2020-21		2019-20		2019-20	
<b>Cash Flow from Operating Activities</b>								
<b>Net Profit before Tax and Extra-ordinary Items</b>		400.41		631.49		792.07		(1.33)
<b>Adjustments for</b>								
Depreciation	1.64		1.00		0.13		-	
Interest and Finance Charges	202.86		332.17		7.10			
Interest Income	(90.67)		(87.39)					
		113.83		245.78		7.23		-
<b>Operating Profit Before Working Capital Change</b>		514.24		877.28		799.30		(1.33)
<b>Adjustments For</b>								
(Increase) / Decrease in Inventory	634.23		(1,341.36)		(445.91)		(672.80)	
(Increase) / Decrease in Trade Receivables	1,101.90		(1,852.07)		(29.71)		-	
(Increase) / Decrease in short term loans and advances	(0.07)		6.65		(9.31)		(0.93)	
(Increase) / Decrease in Non-Current Assets	(1,922.03)		468.65		-		(100.00)	
(Increase) / Decrease in Current Assets	(2,387.55)		(1,574.30)		(441.09)		(18.07)	
Increase / (Decrease) in Creditors	113.94		786.18		180.83		23.78	
Increase / (Decrease) in other Current Liabilities	3,578.24		(307.45)		1,845.81		-	
Increase / (Decrease) in short term borrowings	(1,129.76)		2,221.95		(476.98)		-	
Increase / (Decrease) in short term provisions	-				247.70		759.53	
		(11.11)		(1,591.74)		871.34		(8.50)
Income Tax Paid/ Provision		(100.62)		(114.00)		(247.70)		-
<b>Net Cash Used in/ from Operating Activities (A)</b>		<b>402.51</b>		<b>(828.46)</b>		<b>1,422.94</b>		<b>(9.82)</b>
<b>Cash Flow from Investing Activities</b>								
Purchase of Property, Plant and Equipment and Intangible Assets	(24.98)		(3.53)		(0.29)		-	
Investment in securities	-		(2,437.09)		(2,352.23)		-	
Interest received on loans given	90.67		87.39					
<b>Net Cash Flow from Investing Activities (B)</b>		<b>65.69</b>		<b>(2,353.24)</b>		<b>(2,352.52)</b>		<b>-</b>

<b>Cash Flow from Financing Activities</b>								
Proceeds from issue of shares	-		-		940.00		10.00	
Proceeds from borrowings	-		3,572.09		-		-	
Repayment of borrowings	(320.84)				-			
Financing Charges paid	(202.86)		(332.17)		(7.10)		-	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(523.70)</b>		<b>3,239.92</b>		<b>932.90</b>		<b>10.00</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>								
<b>(A)+(B)+(C)</b>		<b>(55.50)</b>		<b>58.22</b>		<b>3.32</b>		<b>0.18</b>
Cash and Cash Equivalents at the Beginning of the year		61.72		3.50		0.18		-
Cash and Cash Equivalents at the end of the year		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
<b>Net Cash and Cash Equivalents</b>								
Cash and cash Equivalents as above		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
Cash and Bank Balances		<b>6.22</b>		<b>61.72</b>		<b>3.50</b>		<b>0.18</b>
Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure 4, 1, 2.								

**For S R B R & Associates LLP**

**For and on behalf of the Board of Directors**

**Chartered Accountants**  
**FRN: 004997S/S200051**

**Sd/-**  
**Ishari Ganesh Kadhivelan**  
 Managing Director  
 DIN: 00269445

**Sd/-**  
**Arthi**  
 Director  
 DIN: 00568101

**Sd/-**  
**R. Sundararajan**  
 Partner  
 M.No: 029814

**Sd/-**  
**Sampath Kumar Sujatha**  
 Company Secretary

**Sd/-**  
**Ganesan Thiagarajan**  
 Chief Financial Officer

**Date : 21<sup>st</sup> December 2022**  
**Place: Chennai**

**Annexure 4-Significant Accounting Policies and Notes to Accounts**
**1. Corporate Information**

Vels Film International Limited, ("the Company") was incorporated on 25th October 2019 as a closely held Public Limited Company under the Provisions of Companies Act, 2013. The Company is in the business of production, distribution and/ or exhibition of films and motion pictures.

**2. Significant Accounting Policies**
**A) Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**B) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**C) Inventories**

The company holds work in progress of movie projects which are in the process of production. All the expenses incurred directly in connection to the specified movie is added to the cost of the inventory of the corresponding movie till such date of sale or release.

**D) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**E) Cash Flow Statement**

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals. The cash flows from operating, investing and financing activities of the Company are segregated.

**F) Revenue Recognition**

Revenue from sale or licensing of film is recognized when:

- a) Persuasive evidence of a sale or licensing agreement with a customer exists and
- b) Film is certified by authorities for release in case of own exhibition of films produced and
- c) The film is complete and has been delivered or is available for immediate and unconditional delivery (in accordance with the terms of the arrangement) and
- d) The customer can begin its exploitation, exhibition, or sale and
- e) The fee is fixed or determinable and
- f) Collection of the fee is reasonably assured.

All other revenue, including but not limited to, the following, is recognised on the basis of sale or licensing agreements.

Nature of Income	
i.	Revenue from Theatrical rights (Domestic & Overseas)
ii.	Revenue from Dubbing Rights (Domestic & Overseas)
iii.	Revenue from Satellite Rights (Domestic & Overseas)
iv.	Revenue from Music Rights (Domestic & Overseas)
v.	Revenue from Sale of Transfer of Rights (Domestic & Overseas)
vi.	Revenue from Sale of Digital Rights (Domestic & Overseas)

#### **Other income:**

Interest on loans given is recognised as per the terms of agreement and accounted on time proportionate basis in the books of accounts. All other income (including sponsorship income) is recognised based on the terms of contract with third parties and corresponding billings made.

#### **G) Costs and Expenses**

Film costs include all direct costs incurred in the physical production of a film, such as the costs of story; compensation of cast, directors, producers, and extras; costs of set construction, operations, and wardrobe; costs of sound synchronization; costs of rental facilities on location; and postproduction costs (music, special effects, and editing).

Production overhead consists of the costs of the individuals and departments that have a significant (or exclusive) responsibility for the production of the film. These costs do not include administrative and general expenses.

#### **H) Property, Plant and Equipment**

Property, plant and equipment are stated at cost comprising of purchase price, including non-refundable taxes and duties and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

Depreciation is provided for property, plant, and equipment on written down value basis to expense the cost less residual value over their estimated useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period. Useful life of assets is as prescribed under Schedule II of the Companies Act, 2013.

#### **I) Foreign currency transactions and translations**

##### **Initial recognition and treatment of exchange differences**

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. They are re-translated at the exchange rate prevailing at the Balance sheet date. The unrealised gains or losses are recognised as income or expense in the Statement of Profit and Loss on restatement at the end of reporting period.

#### **J) Investments**

The cost of an investment includes acquisition charges such as brokerage, fees, and duties.

Any receivables from these investments are recognised as income in the Statement of Profit and Loss.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

#### **K) Employee Benefits**

The provisions of gratuity, provident fund and employee state insurance do not apply to the Company; hence no provision is made.

The company does not have the policy of compensating absences and encashment of leave.

#### **L) Borrowing cost:**

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

In case of other borrowing costs, the interest is recognised as expenses as per terms of the borrowing, as and when they become payable and on time proportionate basis.

#### **M) Segment reporting**

##### **Business Segment:**

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

**The Company is engaged in only one single activity of Production of films and sale of film rights.** Hence, there are no different business segments to be reported separately.

##### **Geographical Segment:**

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

**The Company operates from only one geographical/ economic environment and hence there are no separate reportable segments**

#### **N) Earnings per share**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

#### **O) Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period. Current and deferred taxes are recognised in statement of profit and loss.

##### **Current Income Taxes**

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by



the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets and liabilities are reviewed at each Balance Sheet date for their reliability.

**P) Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

For the period ended 30<sup>th</sup> September, 2022 there are no contingencies.

**3. Notes on Accounts**

**A) Inventories:**

The Company holds work in progress of movie projects amounting to Rs 1,825.83 (in lakhs) (PY: 2,460.06) (in lakhs) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

**B) Investments**

The Company has invested in Unquoted Equity shares and unquoted compulsorily convertible preference shares of its subsidiary VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited) on various dates, the details of which are below:

Type of instrument	As at 30 <sup>th</sup> September 2022		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No of shares	Value of Shares	No of shares	Value of Shares	No of shares	Value of Shares	No of Shares	Value of shares
<i>(Rs. in Lakhs)</i>								
Unquoted Equity Shares	4,05,300	40.59	4,05,300	40.59	25,000	2.50	-	-
Unquoted compulsorily convertible preference shares	2,39,90,000	2,399.00	2,39,90,000	2,399.00	-	-	-	-
<b>TOTAL</b>	<b>2,43,95,300</b>	<b>2,439.59</b>	<b>2,43,95,300</b>	<b>2,439.59</b>	<b>25,000</b>	<b>2.50</b>	<b>-</b>	<b>-</b>

During the period, the Company did not earn any income from the investment which needs to be recognised in the Statement of Profit and Loss.

There are no significant restrictions on the right of ownership, realizability of investments or the remittance of income and proceeds of disposal.

**C) Foreign Currency translations and transactions**

**Earnings in Foreign Exchange:**

I. Earnings from export of services by selling of theatrical, satellite and digital rights overseas:

Type of service	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<i>(Rs. in Lakhs)</i>				
Sale of rights	163.13	251.26	24.79	NIL

**Expenditure in Foreign Exchange:**

Type of service	For the period ended 30 <sup>th</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<i>(Rs. in Lakhs)</i>				
Import of services	NIL	52.53	NIL	NIL

**D) Deferred Tax**

Particulars	As at 30 <sup>th</sup> September 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<i>(Rs.in Laacs)</i>				
<b>Opening Deferred tax Asset</b>	<b>0.13</b>	<b>48.15</b>	<b>-</b>	<b>-</b>
<b>Tax effect of items constituting Deferred tax liability</b>	<b>-</b>			
On expenditure allowed for Income tax purpose which was earlier disallowed (Rule 9A)	-	-	0.02	-
<b>Tax effect of items constituting deferred tax assets</b>	<b>-</b>		<b>-</b>	
On expenditure disallowed for Income tax purposes	-	-	48.13	-
On difference in written down value of fixed assets	(0.18)	0.11	-	-
Tax effect of items constituting deferred tax assets/(Liability)	-	(48.02)	48.15	-
<b>Net deferred tax Asset/(Liability) provided</b>	<b>(0.05)</b>	<b>0.13</b>	<b>48.15</b>	<b>-</b>

**E) Restated Summary Statement of Related Party Transactions and Balances**
**1. Description of related parties**
**a) Key Managerial Personnel (KMP)**

For the Period ended			
30-Sep-22	31-Mar-22	31-Mar-21	31-Mar-20
Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan	Ishari Ganesh Kadhivelan
Ganesan Thiagarajan	Ganesan Thiagarajan	-	-
Sampath Kumar Sujatha	Sampath Kumar Sujatha	-	-

**b) Relatives of KMP (with whom transactions have taken place during the reporting period/year)**

For the Period ended			
30-Sep-22	31-Mar-22	31-Mar-21	31-Mar-20
Arthi Ganesh	Arthi Ganesh	Arthi Ganesh	Arthi Ganesh

**c) Entities where KMPs or relatives of KMPs exercise significant influence (with whom transactions have taken place during the reporting period/ year)**

For the Period ended 31 March			
31-Mar-22	31-Mar-22	31-Mar-20	
Kushmitha Foundations Private Limited	Kushmitha Foundations Private Limited	GV Films Limited	GV Films Limited
Arthi Associates Private Limited	Arthi Associates Private Limited	Kushmitha Foundations Private Limited	Kushmitha Foundations Private Limited
VGS Estates Private Limited	VGS Estates Private Limited	VGS Estates Private Limited	Arthi Associates Private Limited
VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited	VG Park Beach Resorts Private Limited
Prabhudeva Studios Private Limited	Prabhudeva Studios Private Limited	Prabhudeva Studios Private Limited	VGS Estates Private Limited
GV Films Limited	GV Films Limited	GV Studio City Limited	Vel Ganesh Foundations Private Limited
GV Studio City Limited	GV Studio City Limited	Vel Ganesh Foundations Private Limited	Cybernexa Infotech Private Limited
Vel Ganesh Foundations Private Limited	Vel Ganesh Foundations Private Limited	Cybernexa Infotech Private Limited	MDIS - Vels Education Private Limited*
Cybernexa Infotech Private Limited	Cybernexa Infotech Private Limited	MDIS - Vels Education Private Limited*	Vel Chennai Warriors LLP
MDIS - Vels Education Private Limited*	MDIS - Vels Education Private Limited*	Vels Film International (Proprietor)	Indian Celebrity Entertainers LLP
Vels Film International (Proprietor)	Vels Film International (Proprietor)	BMMT Institute of Education	Prabhudeva Studios Private Limited
BMMT Institute of Education	BMMT Institute of Education	Vel Chennai Warriors LLP	BMMT Institute of Education
Vel Chennai Warriors LLP	Vel Chennai Warriors LLP	Square Foundations LLP	GV Studio City Limited
Madras Elephant Estate Private Limited	Madras Elephant Estate Private Limited	Madras Elephant Estate Private Limited	Vels Film International (Proprietor)
Vels Aviation Services IFSC Private Limited	Vels Aviation Services IFSC Private Limited	Innovatie Studios Private Limited	-
Kindle Kids International School Pte Limited, Singapore	Kindle Kids International School Pte Limited, Singapore	-	-
Vels Education Limited, England	Vels Education Limited, England	-	-

\*Now stuck off.

*Note: Our Promoter and his Relative have disassociated from some of the above-named companies in last three years.*

**2. Details of Related Party Transactions during the period: -**

<b>Name of the related party: Mr. Ishari K Ganesh</b>				
<b>Nature of relationship: Promoter &amp; Managing Director</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				
<i>(Rs. in lakhs)</i>				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	943.02	5,039.00	1,664.00	4,318.03
31 <sup>st</sup> March 2022	1,140.09	4,934.87	5,131.94	943.02
31 <sup>st</sup> March 2021	-	3,691.59	2551.50	1,140.09
31 <sup>st</sup> March 2020	-	20.00	20.00	-

<b>Name of the related party: Vels Film International (Proprietor)</b>				
<b>Nature of relationship: Entities in which KMP have significant influence. KMP - Mr. Ishari K Ganesh</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				
<i>(Rs. in Lakhs)</i>				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	583.07	1.81	0.45	584.43
31 <sup>st</sup> March 2022	560.88	47.20	25.02	583.07
31 <sup>st</sup> March 2021	476.98	2,806.06	2,722.16	560.88
31 <sup>st</sup> March 2020	-	563.90	86.91	476.98
<b>Nature of Transaction: Expenses relating to movies</b>				
<i>(Rs. in Lakhs)</i>				
Year ended	Opening balance	Receipt of services	Payments made	Closing balance
30 <sup>th</sup> September 2022	777.80	-	155.48	622.32
31 <sup>st</sup> March 2022	-	777.80	-	777.80
31 <sup>st</sup> March 2021	-	139.70	139.70	-
31 <sup>st</sup> March 2020	-	-	-	-
<b>Nature of Transaction: Sale of rights</b>				
<i>(Rs. in Lakhs)</i>				
Year ended	Opening balance	Receipt of services	Payments made	Closing balance
30 <sup>th</sup> September 2022	-	-	-	-
31 <sup>st</sup> March 2022	-	-	-	-
31 <sup>st</sup> March 2021	-	2,660.00	2,660.00	-
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: Mrs. Arthi Ganesh</b>				
<b>Nature of relationship: Director</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				
<i>(Rs. in Lakhs)</i>				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	-	-	-	-
31 <sup>st</sup> March 2022	8.24	-	8.24	-
31 <sup>st</sup> March 2021	-	8.24	-	8.24
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)</b>				
<b>Nature of relationship: Subsidiary</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				

(Rs. in Lakhs)				
Year ended	Opening balance	Loans given	Loans repayment made	Closing balance
30 <sup>th</sup> September 2022	1,981.08	2,027.50	105.47	3,903.11
31 <sup>st</sup> March 2022	2,449.73	2,639.24	3,107.89	1,981.08
31 <sup>st</sup> March 2021	100.00	2,349.73	-	2,449.73
31 <sup>st</sup> March 2020	-	100.00	-	100.00
<b>Nature of Transaction: Interest receivable on loan &amp; advance</b>				
30 <sup>th</sup> September 2022	78.65	81.60	158.53	1.72
31 <sup>st</sup> March 2022	-	78.65	-	78.65
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-
<b>Nature of Transaction: Investment in Equity shares and Compulsorily convertible preference shares</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Amount invested	Amount received	Closing balance
30 <sup>th</sup> September 2022	2,439.59	-	-	2,439.59
31 <sup>st</sup> March 2022	2.50	2,437.09	-	2,439.59
31 <sup>st</sup> March 2021	-	2.50	-	2.50
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: Prabhudeva Studios Private Limited</b>				
<b>Nature of relationship: Entities in which KMP have significant influence.</b>				
<b>KMP- Dr. Ishari K Ganesh</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	95.70	-	-	95.70
31 <sup>st</sup> March 2022	85.00	17.50	6.80	95.70
31 <sup>st</sup> March 2021	-	85.00	-	85.00
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: Arthi Associates Private Limited</b>				
<b>Nature of relationship: Entities in which KMP / relatives of KMP have significant influence.</b>				
<b>KMP- Dr. Ishari K Ganesh</b>				
<b>Nature of Transaction: Advances in the nature of loans</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	2,221.95	212.00	1,348.00	1,085.95
31 <sup>st</sup> March 2022	-	2,221.95	-	2,221.95
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-
<b>Nature of Transaction: Loans</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1107.28	-	-	1107.28
31 <sup>st</sup> March 2022	-	1150.00	42.72	1107.28
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-
<b>Nature of Transaction: Interest on Loans</b>				

(Rs. in Lakhs)				
30 <sup>th</sup> September 2022	0.75	59.96	-	60.70
31 <sup>st</sup> March 2022	-	94.47	93.73	0.75
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: Kushmitha Foundations Private Limited</b>				
<b>Nature of relationship: Entities in which KMP have significant influence.</b>				
<b>KMP- Dr. Ishari K Ganesh</b>				
<b>Nature of Transaction: Loans</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1,017.60	-	206.00	811.60
31 <sup>st</sup> March 2022	-	1,060.00	42.40	1,017.60
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-

<b>Nature of Transaction: Interest on Loans to Kushmitha foundation private limited</b>				
(Rs. in Lakhs)				
30 <sup>th</sup> September 2022	0.32	47.92	-	48.24
31 <sup>st</sup> March 2022	-	86.62	86.30	0.32
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: VG Park and Beach Resorts Private Limited</b>				
<b>Nature of relationship: Entities in which KMP / relatives of KMP have significant influence.</b>				
<b>KMP- Dr. Ishari K Ganesh</b>				
<b>Nature of Transaction: Loans</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Loans received	Loans repaid	Closing balance
30 <sup>th</sup> September 2022	1,447.21	-	127.60	1,319.61
31 <sup>st</sup> March 2022	-	1,496.00	48.79	1,447.21
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-
<b>Nature of Transaction: Interest on Loans</b>				
(Rs. in Lakhs)				
30 <sup>th</sup> September 2022	1.97	74.48	-	76.45
31 <sup>st</sup> March 2022	-	113.54	111.57	1.97
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-

<b>Name of the related party: Ganesan Thiagarajan</b>				
<b>Nature of relationship: Chief Financial Officer</b>				
<b>Nature of Transaction: Salary</b>				
(Rs. in Lakhs)				
Year ended	Opening balance	Salary provision	Salary paid	Closing balance
30 <sup>th</sup> September 2022	2.00	3.00	5.00	-
31 <sup>st</sup> March 2022	-	2.00	-	2.00
31 <sup>st</sup> March 2021	-	-	-	-
31 <sup>st</sup> March 2020	-	-	-	-

**F) Trade Payables ageing:**

This ageing is with reference to Note 8 of the Standalone Balance Sheet as at 30<sup>th</sup> September 2022:

Ageing of Trade Payables for the period ended 30 <sup>th</sup> September 2022					
(Rs. in Lacs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	1,078.99	24.54	1.19	-	1,104.72
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2022					
(Rs. in Lacs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	940.42	20.43	29.93	-	990.78
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2021					
(Rs. in Lakhs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	196.72	7.88	-	-	204.60
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2020					
(Rs. in Lakhs)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	23.78	-	-	-	23.78
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

#### Micro small and medium Enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 30th September, 2022 has been made in the Financial Statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company states that it has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the company. Auditors have placed reliance on such information provided by the Management.



Disclosure under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

Particulars	September 30,2022	March 31,2022	March 31,2021	March 31,2020
Principal amount due to micro and small enterprises Interest due on the above	-	-		-

**G) Trade Receivables ageing:**

This ageing is with reference to Note 16 of the Standalone Balance Sheet as at 30<sup>th</sup> September 2022:

Ageing of Trade Receivables for the period ended 30 <sup>th</sup> September 2022						
(Rs. in Lakhs)						
Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i)Undisputed Trade receivables - considered good	187.78	589.50	2.60	-	-	779.88
(ii)Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2022						
(Rs. in Lakhs)						
Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i)Undisputed Trade receivables - considered good	1876.93	-	4.85	-	-	1881.78
(ii)Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2021.						
(Rs. in Lacs)						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables - considered good	15.83	13.88	-	-	-	29.71
(ii)Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2020						
(Rs. in Lacs)						

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables - considered good	-	-	-	-	-
ii)Undisputed Trade receivables - considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv)Disputed Trade Receivables considered doubtful	-	-	-	-	-

#### H) Disclosure for Corporate Social Responsibility:

As per the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR. The head wise amounts spent during the periods are as follows:

Corporate Social Responsibility	For the period ended 30 <sup>th</sup> September 22022	2021-22	2020-21	2019-20
<i>(Rs. in Lacs)</i>				
(a) amount required to be spent	Not Applicable	7.91	Not Applicable	Not Applicable
(b) amount of expenditure incurred,	Not Applicable	7.91	Not Applicable	Not Applicable
(c) shortfall at the end of the year,	Not Applicable	-	Not Applicable	Not Applicable
(d) total of previous years shortfall,	Not Applicable	-	Not Applicable	Not Applicable
(e) reason for shortfall,	Not Applicable	NA	Not Applicable	Not Applicable
(f) nature of CSR activities,	Not Applicable	Education and Skill Development	Not Applicable	Not Applicable
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

#### I) Others:

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified based on information collected by the Company.

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) principal amount & the interest due thereon unpaid at end of	Nil	Nil	Nil	Nil

(b) (i) payments made to supplier beyond appointed date	Nil	Nil	Nil	Nil
(ii) interest u/s16 of MSME Act paid to suppliers	Nil	Nil	Nil	Nil
(c) amount of interest payable for delay (for which payments were made in the year but beyond the appointed date)	Nil	Nil	Nil	Nil
(d) amount of interest accrued and remaining unpaid	Nil	Nil	Nil	Nil
(e) amount of further interest remaining payable in subsequent years until payment is made	Nil	Nil	Nil	Nil

**J) Additional Regulatory Information:**

The clauses (i) to (xiv) under Additional Regulatory Information are not applicable to the Company. Hence, only those clauses applicable {(iii) – Loans and Advances and (x) – Registration of Charges with Registrar and (xii) – Ratios} are disclosed.

(a) Loans and Advances:

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding as on 31 <sup>st</sup> March 2022	Percentage to the total Loans and Advances in the nature of loans
<i>(Rs. in Lakhs)</i>		
Promoters	Nil	Nil
Directors	Nil	Nil
Related Parties: Subsidiary VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)	3,903.11	100%

(b) Registration of Charges with Registrar of Companies:

The hypothecation of the Vehicle purchased with loan financed by Bank of Baroda has been registered with the Transport Authority as per the Motor Vehicle Act, 1998. In view of the hypothecation endorsement of the Registration Certificate and the non-insistance by the bank, a charge on the vehicle has not been created under the Companies Act, 2013.

**K) Notes on Restatement made in the Restated Standalone Financial Information**

- The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- Contingent liabilities and commitments (to the extent not provided for) - A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
- Figures have been rearranged and regrouped wherever practicable and considered necessary.
- The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

6. Realizations: In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.
7. Contractual liabilities: All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
8. Amounts in the restated standalone financial statements: Amounts in the restated standalone financial statements are rounded off to nearest Lakhs. Figures in brackets indicate negative values.

#### L) Restatement adjustments, Material Regroupings and Non-Adjusting items

##### a. Impact of restatement adjustments

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective years and its impact on profits.

Particulars	(Rs. in Lakhs)			
	For the period ended 30 <sup>th</sup> September 2022	2021-22	2020-21	2019-20
<b>Profit after tax as per audited financial statements</b>	299.61	469.48	592.52	(1.33)
<b>Adjustments to net profit as per audited financial statements</b>				
Increase / Decrease in Expenses/Income (refer note(b)(i) below)	NIL	NIL	NIL	NIL
Excess / Short Provision for Tax/MAT (refer note(b)(ii) below)				
Differed Tax Liability / Assets Adjustments (refer note (b)(iii) below)				
<b>Total adjustments</b>	-	-	-	-
<b>Restated profit before tax for the years</b>	299.61	469.48	592.52	(1.33)

##### Notes:

A positive figure represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

##### b. Explanatory notes for the restatement adjustments

1. The Amount relating to the Income / Expenses have been adjusted in the year to which the same is related to & under the head the same relates to.
2. There is change in deferred tax assets / liabilities as per audited books of accounts and as per restated standalone books for respective financial covered under the restated standalone financial information and the same has been given effect in the period to which the same relates to.

##### To give Explanatory Notes Regarding Adjustment:

Appropriate adjustment has been made in the restated financial statement, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financial of the company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

##### c. Reconciliation of restated Equity /Net worth:

Particulars	As at 31st March
-------------	------------------

(Rs. in Laacs)				
	As at 30 <sup>th</sup> September 2022	2022	2021	2020
Equity / Net worth as per Audited Financials	2,310.28	2,010.67	1,541.19	8.67
Adjustment for: Difference Pertaining to changes in Profit / Loss due to Restated Effect for the period covered in Restated Financial	NIL	NIL	NIL	NIL
Prior Period Adjustments	NIL	NIL	NIL	NIL
Equity / Net worth as Restated	2,310.28	2,010.67	1541.19	8.67

**To give Explanatory Notes Regarding Adjustment:**

Appropriate adjustment has been made in the restated standalone financial statement, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financial of the company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

- M) The Comparative figures are that of year ended 31<sup>st</sup> March 2022, while the current financials are prepared for six months period ended 30<sup>th</sup> September 2022, hence they are not comparable. Previous year figures have been regrouped and amended Short Term Borrowings, Short Term Provisions, etc, wherever necessary.

For **S R B R & Associates LLP**  
 Chartered Accountants  
 FRN: 004997S/S200051

For and on behalf of the Board of Directors

Sd/-  
**R. Sundararajan**  
 Partner  
 M.No: 029814

Sd/-  
**Ishari Ganesh Kadhivelan**  
 Managing Director  
 DIN: 00269445

Sd/-  
**Arthi**  
 Director  
 DIN: 00568101

**Date:** 21<sup>st</sup> December, 2022  
**Place:** Chennai

Sd/-  
**Sampath Kumar Sujatha**  
 Company Secretary

Sd/-  
**Ganesan Thiagarajan**  
 Chief Financial Officer

**Annexure 5: Restated Statement of Equity Share Capital**
*(Rupees in lakhs)*

Particulars	As at 31st March 2022			As at 31st March 2021	As at 31st March 2020			
(a) Authorized Capital								
No. of shares (in numbers)	2,00,00,000		2,00,00,000	1,00,00,000	1,00,000			
Authorized Equity Capital (in lakhs)	2,000.00		2,000.00	1,000.00	10.00			
(b) Issued, subscribed and fully paid-up								
No. of shares (in numbers)	95,00,000		95,00,000	95,00,000	1,00,000			
Issued, subscribed and fully paid-up capital (in lakhs)	950.00		950.00	950.00	10.00			
(c) Par value per equity share	10		10	10	10			
(d) Reconciliation of shares								
Shares at the beginning of the reporting period	95,00,000		95,00,000	1,00,000	-			
Number of shares issued during the period	-		-	94,00,000	1,00,000			
Shares at the end of the reporting period	95,00,000		95,00,000	95,00,000	1,00,000			
(e) (i) During the period from 1st April 2020 to 31st March 2021, company has increased the limit of authorised share capital from 1,00,000 shares to 1,00,00,000 shares by passing a special resolution at the EGM of the company held at its registered office on 3rd March 2021 and during the period from 1st April 2021 to 31st March 2022, the company has increased the share capital limit further by another 1,00,00,000 shares by passing resolution at the EGM of the company held at its registered office on 28th March 2022.								
(ii) During the period from 1st April 2020 to 31st March 2021, company has issued 94,00,000 equity shares of face value Rs. 10 each by passing a board resolution on 9th March 2021.								
(f) the rights, preferences and restrictions attaching to shares:								
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.								
The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.								
In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the shareholding.								
(g) Shares held by holding company or ultimate holding company including subsidiaries or associates of the holding company – NIL								
(h) List of shareholders holding more than 5% of shares								
Class of shares / Name of shareholder	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs 10 each								
Ishari Ganesh Kadhivelan	94,36,000	99.33%	94,36,000	99.33%	94,36,000	99.33%	36,000	36.00%
Total	94,36,000	99.33%	94,36,000	99.33%	94,36,000	99.33%	99,000	99.00%

(i) Shareholding of promoters and promoter group:

Class of shares / Name of shareholder	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs 10 each								
<b>Promoter:</b>								
Ishari Ganesh Kadhirvelan	94,36,000	99.33%	94,36,000	99.33%	94,36,000	99.33%	36,000	36.00%
<b>Promoter Group:</b>								
Arthi	36,000	0.38%	36,000	0.38%	36,000	0.38%	36,000	36.00%
Kushmitha Ganesh	9,000	0.09%	9,000	0.09%	9,000	0.09%	9,000	9.00%
Preethaa Ganesh	9,000	0.09%	9,000	0.09%	9,000	0.09%	9,000	9.00%
Pushpavelan	9,000	0.09%	9,000	0.09%	9,000	0.09%	9,000	9.00%
Kamala Kannan Ashwin Kumar	500	0.01%	500	0.01%	500	0.01%	500	0.50%
Nithya kalyani	500	0.01%	500	0.01%	500	0.01%	500	0.50%
<b>Total</b>	95,00,000	100.00%	95,00,000	100.00%	95,00,000	100.00%	1,00,000	100.00 %

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.
- The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 6: Restated Statement of Reserves and Surplus**

Particulars	(Rupees in lakhs)			
	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Surplus/ (Debit) balance in Statement of Profit and Loss				
Opening balance	1,060.67	591.19	(1.33)	-
Add: Transferred from the restated standalone summary statement of Profit & Loss for the year	299.61	469.48	592.52	(1.33)
<b>Total</b>	<b>1,360.28</b>	<b>1,060.67</b>	<b>591.19</b>	<b>(1.33)</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.
- The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.



**Annexure 7: Restated Statement of Borrowings**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022		As at 31st March 2021		As at 31st March 2020		As at 31st March 2020	
	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
(a) Loans from Bank	12.76	6.24	-	-	-	-	-	-
(a) Loans and advances from related parties	3,238.48	1,085.95	3,572.09	2,221.95	-	-	-	-
<b>Total</b>	<b>3,251.24</b>	<b>1,092.19</b>	<b>3,572.09</b>	<b>2,221.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure 7.1 & 7.2**

There was no security mortgaged or pledged against the above Short-term Borrowings and Long-term Borrowings. The terms of repayment have not been pre-determined for the above loans. Interest is charged at 12% p.a. for the above loan.

**Annexure 8: Restated Statement of Trade Payables**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Dues to Micro and Small Enterprises (refer note below)	-	-	-	-
Dues to Others	1,140.72	990.78	204.60	23.78
<b>Total</b>	<b>1,140.72</b>	<b>990.78</b>	<b>204.60</b>	<b>23.78</b>

**Notes:**

1. The Company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and the company has not obtained confirmations from the creditors regarding the same.

**Annexure 9: Restated Statement of Other Current Liabilities**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Statutory Remittances	13.57	170.92	14.34	2.18
(b) Other payables	4,991.72	1,623.28	1,654.51	757.35
(c) Trade advances	175.00	10.00	450.00	-
(d) Expenses payables	218.86	16.71	9.50	-
<b>Total</b>	<b>5,399.15</b>	<b>1,820.90</b>	<b>2,128.35</b>	<b>759.53</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.

2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 10: Restated Statement of Short-Term Provisions**
*(Rupees in lakhs)*

Particulars	As at 30th September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Provision for Tax	-	-	70.54	-

Annexure 11: Restated Statement of Property, Plant and Equipment										
(Rupees in lakhs)										
Description	GROSS BLOCK				DEPRECIATION				WDV as at 30th September 2022	WD V as at 31st March 2022
	As at 31st March 2022	Additions during the Year	Deletions during the Year	As at 30th September 2022	As at 31st March 2022	Additions during the Year	Deletions during the year	As at 30th September 2022		
(a) Plant and Equipment	2.39	-	-	2.39	0.43	0.18	-	0.61	1.79	1.96
(b) Computer and Data Processing	0.92	0.58	-	1.50	0.40	0.21	-	0.61	0.89	0.52
(c) Office Equipment	0.51	0.59	-	1.10	0.30	0.10	-	0.40	0.70	0.21
(d) Furniture and Fixtures	-	0.22	-	0.22	-	0.02	-	0.02	0.20	-
(e) Vehicles	-	23.59	-	23.59	-	1.13	-	1.13	22.46	-
<b>TOTAL</b>	<b>3.82</b>	<b>24.98</b>	<b>-</b>	<b>28.80</b>	<b>1.13</b>	<b>1.64</b>	<b>-</b>	<b>2.77</b>	<b>26.03</b>	<b>2.69</b>
Description	GROSS BLOCK				DEPRECIATION				WDV as at 31st March 2022	WD V as at 31st March 2021
	As at 31st March 2021	Additions during the Year	Deletions during the Year	As at 31st March 2022	As at 31st March 2021	Additions during the Year	Deletions during the year	As at 31st March 2022		
(a) Plant and Equipment	-	2.39	-	2.39	-	0.43	-	0.43	1.96	-
(b) Computer and Data Processing	-	0.92	-	0.92	-	0.40	-	0.40	0.52	-
(c) Office Equipment	0.29	0.22	-	0.51	0.13	0.17	-	0.30	0.21	0.16
<b>TOTAL</b>	<b>0.29</b>	<b>3.53</b>	<b>-</b>	<b>3.82</b>	<b>0.13</b>	<b>1.00</b>	<b>-</b>	<b>1.13</b>	<b>2.69</b>	<b>0.16</b>
<b>Notes:</b>										
1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.										
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.										

Description	GROSS BLOCK				DEPRECIATION				WDV as at 31st March 2021	WD V as at 31st March 2020
	As at 31st March 2020	Addition during the Year	Deletions during the Year	As at 31st March 2021	As at 31st March 2020	Additions during the Year	Deletions during the year	As at 31st March 2021		
(a) Office Equipment	-	0.29	-	0.29	-	0.13	-	0.13	0.16	-

<b>TOTAL</b>	-	0.29	-	0.29	-	0.13	-	0.13	0.16	-
	<b>GROSS BLOCK</b>				<b>DEPRECIATION</b>				<b>WDV</b>	<b>WD</b>
<b>Description</b>	<b>As on 31st March 2019</b>	<b>Addition during the Year</b>	<b>Deletions during the Year</b>	<b>As on 31st March 2020</b>	<b>As on 31st March 2019</b>	<b>Additions during the Year</b>	<b>Deletions during the year</b>	<b>As on 31st March 2020</b>	<b>as at 31st March 2020</b>	<b>V as at 31st March 2019</b>
(a) Office Equipment	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>Notes:</b>										
1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.										
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.										

<b>Annexure 12: Restated Statement of Deferred Tax Assets/Liabilities</b>				
<i>(Rupees in lakhs)</i>				
Particulars	As on September 30 2022	As on March 31		
		2022	2021	2020
<b>Deferred Tax Assets &amp; Liabilities Provision</b>				
WDV As Per Companies Act 2013	26.03	2.69	0.16	-
WDV As Per Income Tax Act	25.84	3.12	0.24	-
<b>Difference in WDV</b>	<b>0.19</b>	<b>(0.43)</b>	<b>(0.09)</b>	-
Adjustments as per Rule 9A of the Income Tax Rules	-	191.22	(191.22)	-
<b>Total Timing Difference</b>	<b>0.19</b>	<b>190.78</b>	<b>(191.30)</b>	-
Tax Rate as per Income Tax	0.25	0.25	0.25	-
(DTA) / DTL	0.05	48.02	(48.15)	-
<b>Deferred Tax Assets &amp; Liabilities Summary</b>				-
<b>Opening Balance of (DTA) / DTL</b>	(0.13)	(48.15)	-	-
Add: Provision for the Year	0.18	48.02	(48.15)	-
<b>Closing Balance of (DTA) / DTL</b>	<b>0.05</b>	<b>(0.13)</b>	<b>(48.15)</b>	-
<b>Notes:</b>				
1. In accordance with Accounting Standard 22, Accounting for taxes on income, issued by the institute of Chartered Accountant of India, the Deferred Tax Assets (net of Liabilities) is provided in the books of account as at the end of the year.				

<b>Annexure 13: Restated Statement of Non-Current Investment</b>				
<i>(Rupees in lakhs)</i>				
Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Investment in VELS Studios and Entertainment Private Limited (Formerly called Innovative Studios Private Limited)				
(a) Investments in Equity Instruments	40.59	40.59	2.50	-

(b) Investments in Compulsorily Convertible Preference shares	2,399.00	2,399.00	-	-
<b>Total</b>	<b>2,439.59</b>	<b>2,439.59</b>	<b>2.50</b>	<b>-</b>
<b>Notes: Related to Investments</b>				
(a) Aggregate Value of Quoted Investment				
(b) Market Value of Quoted Investment				
(c) Aggregate Value of Unquoted Investment	<b>2,440</b>	<b>2,440</b>	<b>3</b>	<b>-</b>

<b>Annexure 14: Restated Statement of Loans and Advances</b>								
<i>(Rupees in lakhs)</i>								
Particulars	As at 30th September 2022		As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
(a) Other loans and advances	3,903.11	3.65	1,981.08	3.58	2,449.73	10.23	100.00	0.93
<b>Total</b>	<b>3,903.11</b>	<b>3.65</b>	<b>1,981.08</b>	<b>3.58</b>	<b>2,449.73</b>	<b>10.23</b>	<b>100.00</b>	<b>0.93</b>
<b>Notes:</b>								
1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.								
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.								

<b>Annexure 15: Restated Statement of Other Current Assets</b>				
<i>(Rupees in lakhs)</i>				
Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Prepaid taxes	225.24	197.02	-	18.07
(b) Advance Payment to Suppliers	458.47	440.54	-	-
(c) Income Accrued but not billed	2,418.33	-	-	-
(c) Other Current asset	1,071.27	1,148.21	282.00	-
<b>Total</b>	<b>4,173.31</b>	<b>1,785.76</b>	<b>282.00</b>	<b>18.07</b>
<b>Notes:</b>				
1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.				
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.				
3. No Securities have been taken by the company against advances given to suppliers.				

<b>Annexure 16: Restated Statement of Trade Receivables</b>				
<i>(Rupees in lakhs)</i>				
Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Unsecured and Considered Good				
Outstanding for more than 6 Months	592.10	-	-	-
Outstanding for less than 6 Months	187.78	1,881.78	29.71	-
<b>Total</b>	<b>779.88</b>	<b>1,881.78</b>	<b>29.71</b>	<b>-</b>

**Notes:**

1. As per the view of the Management of the Company there is no doubtful debt and hence provision for doubtful debts has not been made.
2. Trade Receivables as on September 30, 2022 has been taken as certified by the Management of the Company.
3. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.
4. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 17: Restated Statement of Inventories**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Work-in-progress	1,825.84	2,460.06	1,118.71	672.80
	<b>1,825.84</b>	<b>2,460.06</b>	<b>1,118.71</b>	<b>672.80</b>

**Notes:**

Value of Inventories as on September 30, 2022 has been taken as certified by the management of the company.

**Annexure 18: Restated Statement of Cash and Bank balances**
*(Rupees in lakhs)*

Particulars	As at 30 <sup>th</sup> September 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Balances with banks	3.54	61.40	3.38	0.09
(b) Cash on hand	2.68	0.32	0.12	0.08
<b>Total</b>	<b>6.22</b>	<b>61.72</b>	<b>3.50</b>	<b>0.18</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets & liabilities of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 19: Restated Statement of Revenue from Operations**
*(Rupees in lakhs)*

Particulars	For the year ended 30 <sup>th</sup> September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Sale of services				
- Domestic	4,282.03	2,393.00	2,576.58	-
- Export	163.13	251.25	24.79	-
<b>Total</b>	<b>4,445.16</b>	<b>2,644.25</b>	<b>2,601.37</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 20: Restated Statement of Other Income**
*(Rupees in lakhs)*

Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income	90.67	87.39	-	-
Forex Gain or Loss	0.43	-	-	-
Sponsorship income	25.03	-	-	-
Other Income	-	4.19	-	-
<b>Total</b>	<b>116.13</b>	<b>91.58</b>	<b>-</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.

2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 21: Restated Statement of Direct Costs**
*(Rupees in lakhs)*

Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Technician Payment	366.16	1,296.77	103.94	51.49
Artists related Expenses	491.79	307.04	605.70	131.76
Art Dept.	484.95	204.87	38.73	37.34
Bata Expenses	229.69	202.74	504.07	69.65
Shooting and other Expense	1,610.59	1,007.35	963.30	382.57
<b>Total</b>	<b>3,183.18</b>	<b>3,018.78</b>	<b>2,215.75</b>	<b>672.80</b>

**Annexure 21A: Restated Statement of Work in Progress**
*(Rupees in lakhs)*

Particulars	For the year ended 30 <sup>th</sup> September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Closing balance of:				
work-in-progress	1,825.84	2,460.06	1,118.71	672.80
Opening balance of:				
work-in-progress	2,460.06	1,118.71	672.80	-
<b>Total</b>	<b>634.23</b>	<b>(1,341.36)</b>	<b>(445.91)</b>	<b>(672.80)</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.

2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 22: Restated Statement of Employee Benefit Expense**
*(Rupees in lakhs)*

Particulars	For the year ended 30 <sup>th</sup> September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
(i) salaries and wages	29.55	15.71	13.56	-
(ii) contribution to provident and other funds	-	-	-	-
(iii) expense on ESOP and ESPP	-	-	-	-

(ii) staff welfare expenses	1.75	2.66	-	-
<b>Total</b>	<b>31.30</b>	<b>18.37</b>	<b>13.56</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 23: Restated Statement of Finance Cost**

*(Rupees in lakhs)*

Particulars	For the year ended 30 <sup>th</sup> September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Interest expense	202.86	332.17	7.10	-
<b>Total</b>	<b>202.86</b>	<b>332.17</b>	<b>7.10</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 24: Restated Statement of Other Expenses**

*(Rupees in lakhs)*

Particulars	For the year ended 30th September 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Payments to the auditors for				
(i) Statutory audit	1.25	2.50	1.50	0.50
(ii) for taxation matters	0.25	0.50	-	-
(iii) for other services	0.25	0.50	-	-
(b) Expenditure incurred on CSR activities	-	7.91	-	-
(c) Power and fuel	1.06	2.35	-	-
(d) Rent	6.55	9.55	1.88	-
(e) Rates and taxes, excluding, taxes on income	50.34	3.12	-	-
(f) Bank Charges	0.23	0.56	-	-
(g) Distribution Expenses	-	1.57	-	-
(h) Refreshment expenses	0.33	0.53	1.65	-
(i) Professional charges	20.89	19.70	6.27	0.05
(j) Repairs and Maintenance	1.37	4.12	-	-
(k) Miscellaneous expenses	1.40	6.98	7.38	0.38
(l) Travelling and Conveyance Expenses	-	-	-	0.15
(m) Preliminary Expenses	-	-	-	0.25
(n) Donation	-	2.00	-	-
(o) Office Expenses	7.30	7.64	-	-
(p) Business promotion	16.46	5.85	-	-
<b>Total</b>	<b>107.68</b>	<b>75.38</b>	<b>18.67</b>	<b>1.33</b>



**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the company.
2. The above statement should be read with the restated standalone statement of assets & liabilities, restated standalone statement of Profit & Loss, Restated standalone statement of Cash flow, significant accounting policies & notes to restated standalone summary statements as appearing in annexure 1, 2, 3 & 4 respectively.

**Annexure 25: Restated Statement of Tax Shelter**

<i>(Rupees in lakhs)</i>				
Particulars	For the year ended 31 <sup>st</sup> September 2022	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Profit/(Loss) Before Tax as Restated (A)</b>	400.41	631.49	792.07	(1.33)
Tax Rate % (B)	25.17%	25.17%	25.17%	25.17%
<b>Tax Expense at Nominal Rate (C=(A*B))</b>	<b>100.77</b>	<b>158.93</b>	<b>199.35</b>	<b>(0.33)</b>
<b>Adjustments</b>				
<b>Permanent Adjustments</b>				
Adjustments as per Section 36 & 37 of the Income Tax Act, 1961	-	9.91	2.00	-
<b>Total Permanent Differences (D)</b>	<b>-</b>	<b>9.91</b>	<b>2.00</b>	<b>-</b>
<b>Timing Differences</b>				
Depreciation difference as per books and as per tax	(0.62)	0.34	0.09	-
Adjustments as per Rule 9A of the Income Tax Rules	-	(191.22)	191.22	-
Adjustments as per Section 35 D of the Income Tax Act, 1961	-	(0.05)	(0.05)	0.20
<b>Total Timing Differences (E)</b>	<b>(0.62)</b>	<b>(190.92)</b>	<b>191.25</b>	<b>0.20</b>
<b>Deduction under Chapter - VI A (F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Adjustments (G=(D+E+F))</b>	<b>(0.62)</b>	<b>(181.01)</b>	<b>193.25</b>	<b>0.20</b>
Brought forward loss (H)	-	-	(1.13)	-
<b>Net Adjustments after Loss Utilization (I=(G+H))</b>	<b>(0.62)</b>	<b>(181.01)</b>	<b>192.12</b>	<b>0.20</b>
Tax Impact on Adjustments (J=(G*B))	(0.16)	(45.56)	48.35	0.05
<b>Tax Expenses (Normal Tax Liability) (Derived) (K=(C+J)) (rounded-off)</b>	<b>100.62</b>	<b>113.38</b>	<b>247.70</b>	<b>-</b>

**Notes:**

1. The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
2. The permanent/timing differences for the years March 31, 2021 and 2020 have been computed based on the Income-tax returns filed for the respective years after giving adjustments to restatements, if any.
3. Figures for the period ended September 30, 2022 have been derived from the provisional computation of total income prepared by the Company in line with the final return of income will be filed for the assessment year 2022- 2023 and are subject to any change that may be considered at the time of filing return of income for the assessment year 2022-23.
4. The provisions of section 115JB of the Income Tax Act, 1961 are not applicable to the company for assessment years 2021-22 and 2022-23 as the company opted to be taxed under the provisions of section 115BAA of the Income Tax Act, 1961
5. The company is not liable to pay tax under MAT for assessment year 2020-21 as the company incurred loss during the FY 2019-20
6. Statutory tax rate includes applicable surcharge, Health and education cess of the year concerned.
7. The above statement should be read with the Statement of Notes to the Restated Standalone Financial Information of the Company.

**Annexure 26: Restated Statement of Capitalisation**

(Rupees in lakhs)		
Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short-Term	1,085.95	1,085.95
Long-Term (Including Current Maturities) (A)	3,257.48	3,257.48
<b>Total Borrowings (B)</b>	<b>4,343.43</b>	<b>4,343.43</b>
<b>Shareholders' Funds</b>		
Share Capital	950.00	1,290.80
Reserves & Surplus	1,360.28	4,393.40
<b>Total Shareholders' Fund (C)</b>	<b>2,310.28</b>	<b>5,684.20</b>
<b>Long-Term Borrowings/Total Shareholders' Fund (A/C)</b>	1.41	0.57
<b>Total Borrowings/Total Shareholders' Fund (B/C)</b>	1.88	0.76

**Notes:**

1. A short-term borrowing implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also include the current maturities of long-term borrowings (included in other current liabilities).
2. The above ratios have been computed on the basis of the Restated Standalone Summary Statement of Assets and Liabilities of the Company.
3. The above statement should be read with the Statement of Notes to the Restated Standalone Financial Information of the Company.

**Annexure 27: Restated Statement of Financial Indebtedness**

Name of Bank/Party	Currency	Type of Facility	Sanctioned Amount	Rate of Interest	As at 30th September 2022	Repayment schedule of loans	Prepayment and penalty	Security
Bank of Baroda	Indian	Term Loan	20.00	7.80%	18.99	Term Loan	Not Applicable	Secured by hypothecation of vehicle
Arthi Associates Pvt Ltd	Indian	Term Loan	1,150.00	12.00%	1,107.28	Repayable on Demand	Not Applicable	Unsecured
Kushmitha Foundations Private Limited	Indian	N.A.	1060.00	12.00%	811.60	Repayable on Demand	Not Applicable	Unsecured
VG Park Beach Resorts Private Limited	Term Loan	N.A.	1496.00	12.00%	1,319.61	Repayable on Demand	Not Applicable	Unsecured

**Notes:**

1. The figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company
2. The above Statement should be read with the Restated Summary Statement of Significant Accounting Policies, Restated Summary Statements and the Restated Summary Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per A

**Annexure 28: Restated Statement of Dividend**

(Rs. in Lakhs)				
Particulars		As at 31 March		
	As at 30 <sup>th</sup> September 2022	2022	2021	2020
Share capital				
Equity Share Capital	950.00	950.00	950.00	10.00
Dividend on equity shares	NOT APPLICABLE			
Dividend in %				
Interim Dividend				
Note: The above Statement should be read with the Restated Summary Statement of Significant Accounting Policies, Restated Summary Statement of Notes to Restated Summary Statements and the Restated Summary Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per Audited Financial Statements in Annexure 2.				

**Annexure 29: Restated Statement of Financial Ratios**

Sr. No	Particulars	For the period ended 30 <sup>th</sup> September 2022	For the year ended March 31		
			2022	2021	2020
A	Net worth, as restated (Rs. in lakhs)	2,310.28	2,010.67	1,541.19	8.67
B	Profit after tax, as restated (Rs. in lakhs)	299.61	469.48	592.52	(1.33)
C	Weighted average number of equity shares outstanding during the year	95,00,000	95,00,000	6,92,329	1,00,000
D	Number of shares outstanding at the end of the year of Face value of Rs 10.00/- each	95,00,000	95,00,000	95,00,000	1,00,000
	<b>Earnings per share</b>				
E	Basic / Diluted earnings per share (Rs.) (B/C)	3.15	4.94	85.58	(1.33)
F	<b>Return on Net Worth (%) (B/A*100)</b>	12.97%	23.35%	38.45%	(15.34%)
G	<b>Net asset value per equity shares of Rs.10/ each (A/C)</b>	24.32	21.16	222.61	8.67
H	Face value of equity shares (Rs.)	10	10	10	10
I	<b>Earnings Before Interest Taxes, Depreciation &amp; Amortization (EBITDA) (Rs in Lakhs)</b>	604.91	964.66	799.30	(1.33)

**Notes:**

1. The ratios have been computed as per the following formulas:

**(i) Basic Earnings per Share:**

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year}}$$

**(ii) Diluted Earnings per Share:**

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year} + \text{Diluted Shares at the end of the year}}$$

**(iii) Net Asset Value (NAV) per Equity Share:**

$$\frac{\text{Restated Net worth of Equity Share Holders}}{\text{Weighted average number of equity shares outstanding at the end of the year}}$$

**(iv) Return on Net worth (%):**

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Net worth at the end of the year}} \times 100$$

Restated Net worth of Equity Shareholders	
2.	EBITDA represents earnings (or profit/ (loss)) before finance costs, income taxes, and depreciation and amortization expenses. Extraordinary and exceptional items have been considered in the calculation of EBITDA as they were expense items.
3.	Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated standalone financial information of the Company.
4.	Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted for the number of equity shares issued during the year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
5.	Net worth for the ratios represents sum of share capital and reserves and surplus (share premium and surplus in the Restated Standalone Summary Statement of Profit and Loss).
6.	Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.
7.	During the period from 1st April 2020 to 31st March 2021, company has increased the limit of authorised share capital from 1,00,000 shares to 1,00,00,000 shares by passing a special resolution at the EGM of the company held at its registered office on 3rd March 2021 and during the period from 1st April 2021 to 31st March 2022, the company has increased the share capital limit further by another 1,00,00,000 shares by passing resolution at the EGM of the company held at its registered office on 28th March 2022

## FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable law, the Board may from time to time at its discretion raise to borrow, either from Directors or elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by the resolution of the Board, or where a power to delegate the same is available by decision / resolution of such delegate, provided that the Board shall not without requisite sanction of the Company in General Meeting, borrow any sum of money which together with money borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate from the time being of the paid up capital of the Company and its free reserves.

Further, pursuant to special resolution passed in the Extra Ordinary General Meeting of our Company held on December 05, 2019, the Board of directors has been authorized to borrow money in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the sums of Rs. 50,000 lakhs.

As on September 30, 2022, our company has total outstanding of secured borrowings from banks/ financial institutions aggregating to Rs. 1,446.41 lakhs. Set forth below is a brief summary of our Company's secured borrowings from financial institution as on September 30, 2022:

### A. SECURED LOANS

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amounts in Lacs)

Name of Bank/Party	Currency	Type of Facility	Sanctioned Amount	Rate of Interest	As at 30th September 2022	Repayment schedule of loans	Prepayment and penalty	Security
<b>Our Company- VELS Film International Limited</b>								
Bank of Baroda	Indian	Term Loan	20.00	7.80%	18.99	Term Loan	N.A.	Secured by hypothecation of vehicle
<b>Our Subsidiary-VELS Studios and Entertainment Private Limited</b>								
Hinduja Leyland Finance Limited	Indian	Term Loan	1500.00	11.60 %	1,427.42	Term Loan	N.A.	Secured by Plot

### B. UNSECURED LOANS

(Amounts in Lacs)

Name of Bank/Party	Currency	Type of Facility	Sanctioned Amount	Rate of Interest	As at 30th September 2022	Repayment schedule of loans	Prepayment and penalty	Security
<b>Our Company- VELS Film International Limited</b>								
Arthi Associates Private Limited	Indian	Term Loan	1150.00	12.00%	1,107.28	Repayable on Demand	N.A.	Unsecured
Kushmitha	Indian	Term Loan	1060.00	12.00%	811.60	Repayable on	N.A.	Unsecured

Foundations Private Limited						Demand		
VG Park Beach Resorts Private Limited	Indian	Term Loan	1496.00	12.00%	1,319.61	Repayable on Demand	N.A.	Unsecured
<b>Our Subsidiary-VELS Studios and Entertainment Private Limited</b>								
Arthi Ganesh (Vels)	Indian	Short Term	N.A.	Nil	8.24	Repayable on Demand	N.A.	Unsecured
Saravana Prasad	Indian	Short Term	N.A.	Nil	3.62	Repayable on Demand	N.A.	Unsecured
Vels Film International Ltd*	Indian	Short Term	N.A.	6.00%	3,904.83	Repayable on Demand	N.A.	Unsecured
Ishari K Ganesh	Indian	Short Term	N.A.	Nil	42.74	Repayable on Demand	N.A.	Unsecured

Note: The Short Term Unsecured Loan of Rs. 3,904.83 Lakhs is an inter-corporate loan between holding company ("VFIL") and our subsidiary company (VSEPL).

## MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements and restated standalone financial statement ("restated financials statements") attached in the chapter titled "Financial Information of the Company" beginning on page 136. You should also read the section titled "Risk Factors" on page 26 and the section titled "Forward Looking Statements" on page 17, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated 136 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### BUSINESS OVERVIEW

Our Company was originally incorporated in Chennai as "VELS Film International Limited" on October 25, 2019 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identity Number of our Company is U74999TN2019PLC132235.

Our Company is primarily in the business of production of films and sale of film rights. Vels Film International Limited is the result of the vision of Dr. Ishari K. Ganesh to produce feature films in various languages.

Our company is a member of South Indian Film Chamber of Commerce. The company's contribution to the South Indian Film Industry is growing in fast pace particularly to the Tamil Film Industry which is the third biggest in India. Dr. Ishari K. Ganesh's late father Shri Isari Velan was a renowned comedian in Tamil Cinema of yesteryears and that inspired him to act in several films as well. Being born to a great actor and comedian, entering the film industry was a natural progression for Dr. Ishari K. Ganesh. Our promoter is involved in film industry since the movie 'Vaaku Moolam' in the year 1991. He has acted in multiple movies and the last movie in which he acted was S. Shankar's '2.0' which released in 2018.

In the year 2016 our promoter drifted his attention to film production in Tamil film industry in the memory of his actor father. He associated himself with Mr. Prabhu Deva, known for his choreography, and alongside him co-produced the film 'Devi' in 2016 along with other films. Later in 2019, 'LKG' was produced by M/s Vels Film International (sole proprietorship of our promoter). After producing few more films, we decided to corporatize our film production business and therefore formed Vels Film International Limited.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus i.e. September 30, 2022, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Addition of a new film project starring Jayam Ravi and others. The name of the film is not yet decided.

### 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 26. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our ability to attract and retain qualified personnel;
- Technology upgradation;
- Increased competition in our Industry;
- Availability of applicable approvals, licenses, registrations and permits in a timely manner;



- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion 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;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for years ended March 31, 2022, 2021 and 2020.

### Principal Components of Statement of Profit and Loss

#### *Income*

Our total income comprises revenue from operations and other income as mentioned below:

#### *Revenue from Operations*

Our revenue from operations primarily includes production of films and sale of film rights.

#### *Other Income*

Our other income primarily includes interest income and other non – operating income.

#### *Expenses*

Our total expenses include the below mentioned expenses:

#### *Direct Cost*

The Direct Cost primarily includes expenses related to film production such as technician payment, artists related expenses, shooting and other expenses.

#### *Changes in Inventories (Work-in-Process)*

Changes in Inventories includes the films production under process at the beginning of the year and films production under process at the end of the year.

#### *Employee benefit expenses*

Our employee benefit expense primarily includes salaries and staff welfare expenses, director's remuneration and perquisites.

#### *Finance Cost*

Our finance costs primarily include interest, other borrowing cost and bank charges.

#### *Depreciation and Amortization Expense*

Our depreciation and amortization primarily include depreciation of plant and equipment, computer and office equipment.

#### *Other Expenses*

Our other expenses primarily include expenditure incurred on CSR activities, Business promotion expenses, selling and distribution expenses, Rent, Fuel, Power, professional charges, auditor's remuneration and office & Miscellaneous expenses.

#### *Tax Expense*

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.

### Results of Operations based on Restated Consolidated Financial Statement

The following table sets forth select financial data from our restated statement of profit and loss for the Fiscal 2022 the components of which are also expressed as a percentage of total income for such periods.

(Amount in Lakhs)

Particulars	For the year ended 31st March 2022	% of Total Income
<b>Revenue</b>		
Revenue from operations	2,662.06	97.94%
Other income	55.86	2.06%
<b>Total Revenue</b>	<b>2,717.92</b>	<b>100.00%</b>
<b>Expenses</b>		
Direct Cost	2,989.53	109.99%
Purchases of stock-in-trade		
Changes in inventories of		
Work-in-progress	-1,341.36	-49.35%
Finished goods	-	
Employee benefit expenses	49.73	1.83%
Finance costs	332.17	12.22%
Depreciation and amortization expense	144.38	5.31%
Other expenses	56.18	2.07%
<b>Total Expenses</b>	<b>2,230.63</b>	<b>82.07%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>487.29</b>	<b>17.93%</b>
Exceptional/Prior Period items	-	-
		0.00%
<b>Profit before tax</b>	<b>487.29</b>	<b>17.93%</b>
Tax expense:		
(a) Current Tax Expense for the year	114	4.19%
(b) Deferred Tax	48.02	1.77%
<b>Profit (Loss) for the period before Minority Interest</b>	<b>325.27</b>	<b>11.97%</b>
Minority's share of interest	-12.95	-0.48%
<b>Profit/(Loss) for the Period</b>	<b>338.23</b>	<b>12.44%</b>

## **Fiscal year ended March 31, 2022**

### ***Income***

Our total income was Rs. 2,717.92 lakhs for the fiscal year ended March 31, 2022, which comprised of:

#### ***Revenue from Operations***

Our revenue from operations was Rs. 2,662.06 lakhs, which was 97.94% of our total income for the fiscal year ended March 31, 2022. Such revenue from operations primarily includes revenue related to production of films and sale of film rights.

#### ***Other Income***

Our other income was Rs. 55.86 lakhs, which was 2.06% of our total income for the fiscal year ended March 31, 2022. Such other income primarily comprised balance written off and other non-operating income.

### ***Expenses***

Our total expenses were Rs. 2,230.63 lakhs for the fiscal year ended March 31, 2022, which primarily comprised of:

#### ***Direct Cost***

The Direct Cost was Rs. 2,989.53 lakhs for the fiscal year ended March 31, 2022, direct cost primarily includes expenses related to film production such shooting expenses, artists payments, technician payments and other expenses.

#### ***Changes in Inventories (Work-in-Process)***

Changes in Inventories i.e. film production under process at the beginning of the year and inventories at the end of the year were (Rs. 1,341.36) lakhs for the fiscal year ended March 31, 2022. Company will take the effect of this in coming fiscal years.

#### ***Employee benefit expenses***

Our employee benefit expense was Rs. 49.73 lakhs, which was 1.83% of our total income for the fiscal year ended March 31, 2022, which primarily comprised of salaries, wages and directors' remuneration.

#### ***Finance Cost***

Our finance costs were Rs. 332.17 lakhs, which was 12.22% of our total income for the fiscal year ended March 31, 2022. Such finance cost primarily comprised of interest paid and bank charges.

#### ***Depreciation and Amortization Expense***

Our depreciation and amortization expense were Rs. 144.38 lakhs, which was 5.31% of our total income for the fiscal year ended March 31, 2022. Such depreciation and amortization expense primarily comprised of depreciation of Property, plant and equipment, Computer and office equipment's.

#### ***Other Expenses***

Our other expenses were Rs. 56.18 lakhs, which was 2.07% of our total income for the fiscal year ended March 31, 2022. Such other expenses primarily comprised of CSR activities, Business promotion expenses, selling and distribution expenses, Rent, Fuel, Power, professional charges, auditor's remuneration and office & Miscellaneous expenses.

#### ***Tax Expense***

Our tax expenses were Rs. 162.02 lakhs, which was 5.96% of our total income for the fiscal year ended March 31, 2022. Such tax expenses primarily comprised current tax, deferred tax and adjustment for tax of earlier years.

### ***Profit***

For the reasons mentioned above, our profit for the fiscal year ended March 31, 2022 was Rs. 338.23 lakhs, which was 12.44% of our total income for this year.

**Comparison with previous years:**

Not applicable, as we have acquired Innovative Studios Private Limited in Fiscal year 2022 and this is the first year of Consolidation.

### Results of Operations based on Restated Standalone Financial Statement

The following table sets forth select financial data from our restated statement of profit and loss for the Fiscal 2022, 2021 and 2020 the components of which are also expressed as a percentage of total income for such periods.

(Rupees in lakhs)

Particulars	For the year ended 31st March 2022	% of Total Income	For the year ended 31st March 2021	% of Total Income	For the year ended 31st March 2020	% of Total Income
<b>Revenue</b>						
Revenue from operations	2,664.25	97.38%	2,601.37	100.00%	-	-
Other income	91.58	3.35%	-	-	-	-
<b>Total Revenue</b>	<b>2,735.83</b>	<b>100.00%</b>	<b>2,601.37</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>						
Direct Costs	3,018.78	110.34%	2,215.75	85.18%	672.80	-
Changes in inventories of						
work-in-progress	-1,341.36	-49.03%	(445.91)	-17.14%	(672.80)	-
Employee benefit expenses	18.37	0.67%	13.56	0.52%	-	-
Finance costs	332.17	12.14%	7.10	0.27%	-	-
Depreciation and amortization expense	1	0.04%	0.13	0.00%	-	-
Other expenses	75.38	2.76%	18.67	0.72%	1.33	-
<b>Total Expenses</b>	<b>2,104.34</b>	<b>76.92%</b>	<b>1,809.30</b>	<b>69.55%</b>	<b>1.33</b>	<b>-</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>631.49</b>	<b>23.08%</b>	<b>792.07</b>	<b>30.45%</b>	<b>(1.33)</b>	<b>-</b>
Exceptional/Prior Period items	-		-	-		
<b>Profit before tax</b>	<b>631.49</b>	<b>23.08%</b>	<b>792.07</b>	<b>30.45%</b>	<b>(1.33)</b>	<b>-</b>
Tax expense:						
(a) Current Tax Expense for the year	114	4.17%	247.70	9.52%	-	-
(b) Deferred Tax	48.02	1.76%	(48.15)	-1.85%	-	-
<b>Profit (Loss) for the period</b>	<b>469.48</b>	<b>17.16%</b>	<b>592.52</b>	<b>22.78%</b>	<b>(1.33)</b>	<b>-</b>

### **Other Key Ratios on Standalone Basis**

Particulars	Financial year ending March 31 <sup>st</sup> ,		
	2022	2021	2020
Fixed Asset Turnover Ratio	982.99	16,258.56	-
Debt Equity Ratio	2.88	-	-
Current Ratio	1.23	0.60	0.88

*Notes:*

**Fixed Asset Turnover Ratio:** This is defined as revenue from operations divided by total fixed assets, based on Restated Standalone Financial Information.

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Standalone Financial Information.

**Current Ratio:** This is defined as current assets divided by current liabilities excluding current maturity of long term debt, based on Restated Standalone Financial Information.

### **FISCAL 2022 COMPARED TO FISCAL 2021**

#### **Income**

Our total income increased by 5.17% to Rs. 2,735.83 lakhs in Fiscal 2022 from Rs. 2,601.37 lakhs in Fiscal 2021, primarily on account of the factors discussed below.

#### **Revenue from operations**

Our revenue from operations increased by 2.42% to Rs. 2,664.25 lakhs in Fiscal 2022 from Rs. 2,601.37 lakhs in Fiscal 2021. Our overall revenue has slightly increased due to increase in our sale of film rights.

#### **Other income**

Our other income increased by 100.00% to Rs. 91.58 lakhs in Fiscal 2022 from nil in Fiscal 2021. Other income has increased due to interest income and other non – operating income.

#### **Expenses**

Our total expenses increased by 16.31% to Rs. 2,104.34 lakhs in Fiscal 2022 from Rs. 1,809.30 lakhs in Fiscal 2021, which primarily comprised of:

#### **Direct Cost**

The Direct Cost increased by 36.24% to Rs. 3,018.78 lakhs in fiscal 2022 from Rs. 2,215.75 lakhs in fiscal 2021. Direct cost has increased due to increase in payment of technician and other expenses related to shooting.

#### **Changes in Inventories (Work-in-Process)**

Work-in-process increased by 200.81% to Rs. 1,341.36 lakhs in fiscal 2022 from Rs. 445.91 lakhs in fiscal 2021.

#### **Employee Benefit Expense**

Our employee benefit expense increased by 35.47% to Rs. 18.37 lakhs in Fiscal 2022 from Rs. 13.56 lakhs in Fiscal 2021 primarily due to increase in the payments of salary & wages.

#### **Finance Costs**

Our finance costs increased by 4578.45% to Rs. 332.17 lakhs in Fiscal 2022 from 7.10 in Fiscal 2021, primarily due to increase in the long-term borrowings of the Company from nil in Fiscal 2021 to Rs. 3,572.09 lakhs in Fiscal 2022.

#### **Depreciation and Amortization Expense**

Our depreciation and amortization expenses increased by 669.23% to Rs. 1.00 lakhs in Fiscal 2022 from Rs. 0.13 lakhs in Fiscal 2021, primarily due to addition in Computer & data processing software, plant and equipment during this period.

#### ***Other Expenses***

Our other expenses increased by 303.75% to Rs. 75.38 lakhs in Fiscal 2022 from Rs. 18.67 lakhs in Fiscal 2021, primarily due to increase in the CSR activities, Business promotion expenses, selling and distribution expenses, Rent, Fuel, Power, professional charges, auditor's remuneration and office & Miscellaneous expenses.

#### ***Tax Expense***

Our tax expenses decreased by 18.81% to Rs. 162.02 lakhs in Fiscal 2022 from Rs. 199.55 lakhs in Fiscal 2021 on account of decrease in profit.

#### ***Profit for the Year***

As a result of the foregoing factors, our profit for the year decreased by 20.77% to Rs. 469.48 lakhs in Fiscal 2022 from Rs. 592.52 lakhs in Fiscal 2021.

### **FISCAL 2021 COMPARED TO FISCAL 2020**

#### ***Income***

Our total income increased by 100.00% to Rs. 2,601.37 lakhs in Fiscal 2021 from nil in Fiscal 2020, primarily on account of the factors discussed below.

#### ***Revenue from operations***

Our revenue from operations increased by 100.00% to Rs. 2,601.37 lakhs in Fiscal 2021 from nil in Fiscal 2020. Our Company was originally incorporated in Chennai on October 25, 2019 & accordingly we have commenced our business in fiscal 2021.

#### ***Other Income***

Company has not generated any non-operating income in fiscal 2021 & 2020.

#### ***Expenses***

Our total expenses increased by approx. 100.00% to Rs. 1,809.30 lakhs in Fiscal 2021 from Rs. 1.33 lakhs in Fiscal 2020, which primarily comprised of:

#### ***Direct Cost***

The Direct Cost increased by 229.33% to Rs. 2,215.75 lakhs in fiscal 2021 from Rs. 672.80 lakhs in fiscal 2020. Direct cost has increased due to increase in payment of technician and other expenses related to shooting as Company has started their business.

#### **Changes in Inventories (Work-in-Process)**

Work-in-process decreased by 33.72% to Rs. 445.91 lakhs in fiscal 2021 from Rs. 672.80 lakhs in fiscal 2020.

#### ***Employee Benefit Expense***

Our employee benefit expense increased by 100.00% to Rs. 13.56 lakhs in Fiscal 2021 from nil in Fiscal 2020. As Company started their business & hired new key personnel & employees in different departments.

#### ***Finance Costs***

Our finance costs increased by 100% to Rs. 7.10 lakhs in Fiscal 2022 from Nil in Fiscal 2021.

#### ***Depreciation and Amortization Expense***

Our depreciation and amortization expenses increased by 100.00% to Rs. 0.13 lakhs in Fiscal 2021 from nil in Fiscal 2020, primarily due to addition in property, plant and equipment during this period.

#### ***Other Expenses***



Our other expenses increased by 1,303.76% to Rs. 18.67 lakhs in Fiscal 2021 from Rs. 1.33 lakhs in Fiscal 2020, primarily due to increase in the rent, and office & Miscellaneous expenses.

#### ***Tax Expense***

Our tax expenses increased by 100.00% to Rs. 199.55 lakhs in Fiscal 2021 from nil in Fiscal 2020. In Fiscal 2020, our tax expenses have increased due to increase in profit.

#### ***Profit for the Year***

As a result of the foregoing factors, our profit for the year increased by 446.50% to Rs. 592.52 lakhs in Fiscal 2021 from the loss of Rs. 1.33 lakhs in Fiscal 2020.

### **CASH FLOW BASED ON RESTATED STANDALONE FINANCIAL STATEMENTS**

(In lakhs)

Particulars	FISCAL		
	2022	2021	2020
Net cash generated from operating activities	(828.46)	1,422.94	(9.82)
Net cash (used in)/generated from investing activities	(2,353.24)	(2,352.52)	-
Net cash (used in)/generated from financing activities	3,239.92	932.90	10.00
Cash and cash equivalents at the end of the year	61.72	3.50	0.18

### **OTHER MATTERS**

#### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 26, to our knowledge there are no known significant economic changes that materially affected or are likely to affect income from continuing operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 26, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### **4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by multiple factors such as industry preferences, economic activity, government policies and demand of our products.

#### **5. The extent to which material increase/decrease in net revenue are due to increase/decrease in the production.**

Increase/Decrease in production are by and large linked to increase/decrease in volume of business activities carried out by the Company.

#### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in film production Industry and relevant industry data, as available, has been included in the chapter titled "*Our Industry*" beginning on page 78.

#### **7. Status of any publicly announced new products or business segments**

Our Company has not announced any new products or segment, other than through this Prospectus.

#### **8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

**9. Any significant dependence on a single or few clients.**

Due to the nature of our business, our film production revenue is dependent on few clients who are primarily the distributors. Our business is dependent on few clients. On standalone basis, our top five customers contributed 94.64%, 98.11% and 99.10% of total revenue from operations for period ended September 30, 2022, F.Y. 2021-22 and 2020-21 respectively.

**10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled *Our Business* on page 87.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoter.

Our Board, in its meeting held on September 09, 2022, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited standalone financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 10.00% of the Company’s trade payables for the last audited financial statements.

#### A. LITIGATION INVOLVING OUR COMPANY

##### A.1. LITIGATION FILED AGAINST OUR COMPANY

1. **Litigation Involving Criminal Matters:** NIL
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation/Matters involving Tax Liabilities:**
  - i. **Direct Tax Liabilities:** NIL
  - ii. **Indirect Tax Liabilities:** NIL
4. **Other Pending Litigations:** NIL

##### A.2 LITIGATIONS FILED BY OUR COMPANY

1. **Litigation Involving Criminal Matters:** NIL
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation Involving Tax Liabilities:** NIL
4. **Other Pending Litigations:** NIL

#### 1. LITIGATIONS INVOLVING OUR DIRECTORS

##### B.1 LITIGATIONS FILED AGAINST THE DIRECTORS

1. **Litigation involving Criminal Matters:** NIL
2. **Litigation involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation Involving Tax Liabilities**
  - 3.1 **Dr. Ishari Kadhivelan Ganesh**
    - i. **Direct Tax Liabilities:**

Income tax Department conducted search at various premises controlled by or associated with our Promoter Dr. Ishari Kadhivelan Ganesh on March 19, 2019 under section 132 of Income Tax Act 1961 and found records of undisclosed income from the AY 2012-13 to AY 2019-20. Our Promoter applied for settlement proceedings vide application dated January 11, 2021 with the Income Tax Settlement Commission, Additional bench, Chennai for the settlement of liabilities related to the above search and paid the interest and tax demand as per details stated in the application. The application was accepted and allowed to be proceeded u/s 245D(1) of IT Act, 1961 by the Income Tax Settlement Commission.

At present, as per the income tax portal, there are no outstanding income tax demands against our Promoter Dr. Ishari Kadhivelan Ganesh.

**ii. Indirect Tax Liabilities: NIL**

**3.2 Dr. Arthi Ganesh**

**i. Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
1.	Outstanding Demand including Accrued Interest	153A	2014-15	3,676
2.	Outstanding Demand including Accrued Interest	143(3)	2019-20	36,93,200
3.	Outstanding Demand including Accrued Interest	143(3)	2019-20	85,780

*Note: For all the above income tax demands outstanding against Dr. Arthi Ganesh, either a rectification or an appeal with CIT (Appeals) has been filed.*

**ii. Indirect Tax Liabilities: NIL**

**3.3 Mr. Thummala Gangatharan Balaji**

**i. Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
1.	Outstanding Demand including Accrued Interest	143(1)	2007-08	1,15,127
2.	Outstanding Demand including Accrued Interest	143(1)	2008-09	2,13,690
3.	Outstanding Demand including Accrued Interest	143(1)	2009-10	2,99,050
4.	Outstanding Demand including Accrued Interest	143(1)	2016-17	2,06,370
5.	Outstanding Demand including Accrued Interest	143(1)	2018-19	1,67,600
6.	Outstanding Demand including Accrued Interest	143(1)	2020-21	4,73,150

**ii. Indirect Tax Liabilities: NIL**

**3.4 Ms. Sangeetha Santharam**

**i. Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
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1.	Outstanding Demand including Accrued Interest	143(1)(a)	2013-14	6010
2.	Outstanding Demand including Accrued Interest	143(1)	2007-08	9975
3.	Outstanding Demand including Accrued Interest	143(1)	2004-05	210
4.	Outstanding Demand including Accrued Interest	143(1)	2001-02	30

**ii. Indirect Tax Liabilities:** NIL

**4. Other Pending Litigations:** NIL

## **B.2 LITIGATIONS FILED BY OUR DIRECTORS**

- 1. Litigation involving Criminal Matters:** NIL
- 2. Litigation involving Actions by Statutory/Regulatory Authorities:** NIL
- 3. Litigation Involving Tax Liabilities:** NIL
- 4. Other Pending Litigations:** NIL

## **2. LITIGATIONS INVOLVING OUR SUBSIDIARY**

### **C.1 LITIGATION FILED AGAINST OUR SUBSIDIARY**

- 1. Litigation Involving Criminal Matters:** NIL
- 2. Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
- 3. Litigation/Matters involving Tax Liabilities:**

#### **i. Direct Tax Liabilities**

We believe that there are no outstanding direct tax liabilities against our subsidiary as on the date of this Prospectus.

We acquired our subsidiary after it received NCLT Order dated January 08, 2021 under the Insolvency and Bankruptcy Code, 2016. As per the Income tax portal there are outstanding demands against the subsidiary company for prior periods – for AY 2009-10, 2010-11, 2011-12, 2012-13, 2016-17 and 2017-18. The total outstanding tax including interest is Rs. 2,091.18 Lakhs (income tax demand is Rs. 1,659.86 Lakhs and total interest is Rs. 431.32 Lakhs). Also, the total TDS default liability as per Income Tax Portal for the period prior to the NCLT Order is 10.67 Lakhs.

Our subsidiary has filed an application dated September 01, 2022 with the Chief Commissioner of Income Tax, Bangalore for the removal of such liabilities on the grounds of NCLT Order.

Note: the NCLT order do not have any mention of such income tax demands.

#### **ii. Indirect Tax Liabilities:**

We believe that there are no outstanding indirect tax liabilities against our subsidiary as on the date of this Prospectus.

As per the GST (Goods and Services Tax) portal, there are outstanding GST demands against our subsidiary company for the FY from 2014-15, 2015-16 and 2016-17 for a total amount of Rs. 272.16

Lakhs. Our subsidiary has filed an application dated September 01, 2022 with the Assistant Commissioner of Good and Service Tax for the removal of such liabilities on the grounds of NCLT Order.

**4. Other Pending Litigations: NIL**

**C.2 LITIGATIONS FILED BY OUR SUBSIDIARY**

**1. Litigation Involving Criminal Matters: NIL**

**2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

**3. Litigation Involving Tax Liabilities: NIL**

**4. Other Pending Litigations: NIL**

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors will be available on the website of our Company.

As on September 30, 2022, there are 2 Creditors to whom we owe more than 10% of our total creditors. The total amount payable to these creditors is Rs. 941.53 Lakhs (i.e. 85.23 %) out of the total Creditors of Rs. 1104.72 Lakhs on standalone basis. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure in relation to amount unpaid together with interest payable have not been furnished.

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 139, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated October 25, 2019 issued by the Registrar of Companies, Chennai, Tamil Nadu.
2. The Corporate Identity Number (CIN) of the Company is U74999TN2019PLC132235.

### APPROVALS IN RELATION TO THE ISSUE

#### Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on September 09, 2022 the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated September 16, 2022 Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

#### Approvals from Stocks Exchange

1. Our Company has received in- principle listing approval from the NSE Emerge dated December 08, 2022 for listing of Equity Shares issued pursuant to the issue.

#### Other Approvals

1. Our Company's International Securities Identification Number ("ISIN") is INE013H01019.
2. Our Company has entered into an agreement on June 15, 2021 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
3. Our Company has entered into an agreement on September 06, 2022 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.

### 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:



#### A. Under Direct and Indirect Laws


Sr. No.	Nature of License / Approvals / Registrations	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AAHCV1475C	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	Income tax Department, Govt. of India	TAN: CHEV17652F	Perpetual	-
3.	Registration under Goods and Service Tax for	Central Board of Indirect Taxes and Customs, Central Excise Division, Delhi	GSTIN: 33AAHCV1475C1ZK	Perpetual	-

#### B. Other Registrations / Certifications / Ratings

Sr. No.	Nature of License / Approvals / Ratings	Authority	Particulars of License / Approvals	Validity Period	Remarks
1.	Membership Certificate of The South Indian Films Chamber of Commerce	The South Indian Films Chamber of Commerce	Membership No. : 21477	Perpetual	-
2.	Registration under the Tamilnadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958	Government of Tamil Nadu, Labour Department	Regn. No.: TN/AIL20CHE/N FSH/68-22-00177	Perpetual	-
3.	Importer-Exporter Code	Office of the Additional Director General of Foreign Trade, Chennai	AAHCV1475C	Perpetual	-

#### INTELLECTUAL PROPERTY

The Company has applied for registration of following trademark under the Trade Marks Acts, 1999 :

Description	Trademark Number / Application No./ Registration Certificate Number	Class(es)	Date of Application
	5486867	Class 38	June 13, 2022
	5486868	Class 40	June 13, 2022
	5486869	Class 41	June 13, 2022

#### KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED

Nil.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

#### Corporate Approvals

- ✓ Our Board has authorized the Fresh Issue of Equity shares by a resolution dated September 09, 2022, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- ✓ Our shareholders have, pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on September 16, 2022, at the Registered office of our Company under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
- ✓ Our Company has obtained in-principle approval dated December 08, 2022 from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### Approvals from Lenders

- ✓ We have received the No Objection Certificates from Lenders to our Company i.e. Arthi Associates Private Limited, Kushmitha Foundations Private Limited and VG Park Beach Resorts Private Limited.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoter or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Prospectus.

### ELIGIBILITY FOR THE OFFER

Our Company is an "Unlisted Issuer" in terms of the SEBI ICDR Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post offer face value capital is more than Rupees Ten Crores and up to Rupees Twenty-Five Crores, offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on October 25, 2019, under the Companies Act, 2013 with the Registrar of Companies.

- b) As on the date of this Prospectus, our Company has a total paid-up capital (face value) of ₹950 Lakhs comprising 95,00,000 Equity Shares of ₹10/- each and the Post Offer paid-up Capital (face value) will be ₹ 129.08 Lakhs comprising 1,29,08,000 Equity Shares which shall be below ₹ 25 crores.
- c) Our Promoter has a track record of over three decades (not on continuous basis) as on date of filing of this Prospectus.
- d) Our company including had positive cash accruals (earnings before interest, depreciation and tax) from operations in 2 out of 3 financial years preceding the date of this Prospectus and its net-worth is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
  - We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) of our company in the Draft Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) during the past three years except as mentioned in the Draft Prospectus.
  - We have disclosed the details of our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 149.
  - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 149.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a. The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b. Our Company has entered into an agreement with NSDL on June 15, 2021 and with CDSL on September 06, 2022 for dematerialisation of its Equity Shares already issued and proposed to be issued.
- c. The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d. The entire Equity Shares held by the Promoter are in dematerialised form.
- e. The fund requirements set out for the Objects of the Offer are proposed to be met entirely either from the Net Proceeds or from Internal Accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Offer*” on page 67.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a. Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.

- b. None of our Promoter or Directors are Promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Company nor our Promoter or Directors is a wilful defaulter or fraudulent borrower.
- d. None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

In accordance with Regulation 246 of the SEBI ICDR Regulations, the lead manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 47.

In accordance with Regulation 268 of the SEBI ICDR Regulations, 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 unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER KHAMBATTA SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, KHAMBATTA SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE**

**PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

Note: All legal requirements pertaining to the Offer will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 and 28 of the Companies Act, 2013.

**DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDERS AND THE LEAD MANAGER**

Our Company, Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.velsfilminternational.com](http://www.velsfilminternational.com), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

Our Company and the 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.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Khambatta Securities Limited is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Offer, under SEBI MB Regulations.

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 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.

Neither our Company nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Prospectus in relation to itself and its respective portion of the offered shares.

**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, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the



Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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 U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1932 dated December 08, 2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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.

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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **LISTING**

Application have been made to NSE Emerge for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principle approval from NSE vide letter dated December 08, 2022 to use name of NSE in the Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE Emerge, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If any such money is not unblocked within four (4) days after the issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) as prescribed under Section 40 of the Companies Act, 2013.

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.

## **CONSENTS**

Consents in writing of: (a) The Directors, Promoter, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Banker to the Issue, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s S R B R & Associates LLP, Chartered Accountants, have provided their written consent to the inclusion of their reports dated July 06, 2022 on Restated Financial Statements and to the inclusion of their reports dated July 06, 2022 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

## **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on Restated Financial Statements for the period ended September 30, 2022 and financial years ended March 31, 2022, 2021, and 2020 as included in this Prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**



Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

#### CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 56, our Company has not made any capital issue during the previous three years.

We do not have any listed Group Company / Subsidiary / Associate as on date of this Prospectus.

#### PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 56, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

#### PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Sr. No.	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (Rs.)	+/- change in closing price, [+/-% change in Closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- change in closing price, [+/-% change in Closing benchmark] 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/-% change in Closing benchmark] 180 <sup>th</sup> Calendar days from listing
1.	Rudrabhishek Enterprises Limited	18.73	41	July 13, 2018	41.25	-1.68[+3.05]	-1.56[+2.32]	+15.95[+0.60]
2.	Gayatri Rubbers and Chemicals Limited	4.58	30.00	February 07, 2023	35.00	NA	NA	NA

Sources: All share price data is from [www.nseindia.com](http://www.nseindia.com).

Note:

- The CNX Nifty are considered as the Benchmark Index
- Prices on NSE are considered for all of the above calculations
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
- Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

Summary statement of price information of past issues handled by Khambatta Securities Limited:

Financial Year	Total no. of IPOs	Total Funds raised	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date	Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date	Nos. of IPOs trading at discount on as on 180 <sup>th</sup> calendar days from listing date	Nos. of IPOs trading at premium on as on 180 <sup>th</sup> calendar days from listing date
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		(Rs. Cror es)	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 %
2022-23	1	4.58	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

1. Gayatri Rubbers and Chemicals Limited got listed in NSE Emerge on February 07, 2023.
2. Rights Issue of HKG Limited, a company earlier listed on BSE SME, was lead managed by Khambatta Securities Limited in the Financial Year 2021-2022 and the same has not been included in the above-mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

#### TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.khambattasecurities.com](http://www.khambattasecurities.com).

#### STOCK MARKET DATA OF EQUITY SHARES

This being an initial public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company have appointed Cameo Corporate Services Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch.

The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board has also constituted a Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Thummala Gangatharan Balaji	Chairman	Independent Director
Ms. Sangeetha Santharam	Member	Independent Director
Dr. Arthi Ganesh	Member	Non-Executive Director

For further details, please see the chapter titled "*Our Management*" beginning on page 103

Our Company has also appointed Mrs. Sampath Kumar Sujatha, as the Compliance Officer of the Company and she may be contacted at the Registered Office of our Company.

**Mrs. Sampath Kumar Sujatha**

**Vels Film International Limited**

No.521/2, Anna Salai Nandanam,  
Chennai, Tamil Nadu – 600 035, India

Tel No.: 044 24315541/ 542

E-mail: [info@velsfilminternational.com](mailto:info@velsfilminternational.com)

Website: [www.velsfilminternational.com](http://www.velsfilminternational.com)

#### STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Offer, to handle the investor grievances in coordination with our Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the NSE Emerge, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 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 and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circulars”) in relation to clarifications on streamlining the process of public Issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further, SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 197.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 135 and 197, respectively.

### FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹10/- each are being issued in terms of this Prospectus at the price of ₹ 99.00 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “Basis for Issue Price” beginning on page 72.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 197.

## ALLOTMENT ONLY IN DEMATERIALIZED FORM

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated June 15, 2021 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated September 06, 2022 between our Company, CDSL and the Registrar to the Issue.
3. The Company’s equity shares bear ISIN – INE0I3H01019.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Trading of the Equity Shares will happen in the minimum contract size of 1,200 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE Emerge from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1,200 Equity Share subject to a minimum allotment of 1,200 Equity Shares to the successful Applicants. Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

## JOINT HOLDERS

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) 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.



## NOMINATION FACILITY TO INVESTORS

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 (3) of the Companies Act, 2013, 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 accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## ISSUE PROGRAMME

<b>ISSUE OPENS ON</b>	Friday, March 10, 2023
<b>ISSUE CLOSES ON</b>	Tuesday, March 14, 2023

An indicative timetable in respect of the Issue is set out below:

<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or Before Friday, March 17, 2023
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or Before Monday, March 20, 2023
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or Before Tuesday, March 21, 2023
<b>Commencement of trading of the Equity Shares on the Stock Exchanges</b>	On or Before Wednesday, March 22, 2023

*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any*

*blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

In terms of Regulation 265 of SEBI ICDR Regulations, the issue shall open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.

In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1).

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.



In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the issue, if there is a delay beyond such time, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of Issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Prospectus and shall not be restricted to the minimum subscription level. Further, 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.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 1,200 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

The lock-in of the pre- issue capital of our Company as provided in “*Capital Structure*” beginning on page 56 and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 197.

#### **NEW FINANCIAL INSTRUMENTS**

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

#### **MIGRATION TO MAIN BOARD**

In accordance with the Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE Emerge for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE Emerge on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The shares issued through this Issue are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE Emerge. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 47.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Issue face value capital is more than Ten (10) crore rupees and upto Twenty-Five (25) crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page 164 and 172 respectively.

### FOLLOWING IS THE ISSUE STRUCTURE:

Initial Public Issue of up to 34,08,000 Equity Shares for cash at a price of Rs. 99.00 per Equity Share (including a Share Premium of Rs. 89.00 per Equity Share), aggregating up to Rs. 3,373.92 Lakhs by our Company.

The Issue comprises a reservation of up to 1,72,800 Equity Shares of face value of Rs.10/- each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of up to 32,35,200 Equity Shares of face value of Rs.10/- each (“the Net Issue”). The Issue and the Net Issue will constitute 26.40% and 25.06 %, respectively of the post issue paid-up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Market Maker Reservation Portion	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	1,72,800 Equity Shares	16,17,600 Equity Shares	16,17,600 Equity Shares
Percentage of Issue Size available for allocation	5.07% of the Issue Size	50.00% of the net Issue shall be available for allocation	50.00% of the net Issue shall be available for allocation
Basis of Allotment	Firm Allotment	Proportionate	Proportionate subject to minimum Lot as explained in the section titled “ <i>Issue Procedure</i> ” on page 172.
Mode of Application	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	1,72,800 Equity Shares	Such number of Equity shares in multiple of 1,200 Equity shares that Application size exceeds Rs. 2,00,000	Such number of Equity shares in multiple of 1,200 Equity shares that Application size does not exceed Rs. 2,00,000
Maximum Application Size	1,72,800 Equity Shares	Such number of Equity Shares in multiples of 1,200 Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Applicant	Such number of Equity shares in multiple of 1,200 Equity shares that Application size does not exceed Rs.2,00,000
Trading Lot	1,200 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	1,200 Equity Shares and in multiples thereof	1,200 Equity Shares and in multiples thereof

Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the Applicant that is specified in the Application Form at the time of submission of the Application Form.
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*(1) Since present Issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations, shall be made as follows:*

*a) Minimum fifty per cent to retail individual investors; and*

*b) Remaining to:*

*i) individual applicants other than retail individual investors; and*

*ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage."*

*(2) In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

*(3) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled "Issue Procedure" beginning on page 172.*

## ISSUE PROCEDURE

### PART A

All Applicants should read the General Information Document for Investing in Public Issue (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 which is issued in supersession of the Circular SEBI Circular CIR/CFD/DIL/12/2013 dated October 23, 2013 & UPI Circular which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document will be available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants 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 Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (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 applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 01, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), 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 Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“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 SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) 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 (4) 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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date. 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 Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

#### PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. 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 the ASBA) for applications by RIIs through 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 Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuer 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 Investors into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail



portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Investors may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White*
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of



funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### WHO CAN APPLY?

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - a. Minors (except through their Guardians)
  - b. Partnership firms or their nominations
  - c. Foreign Nationals (except NRIs)
  - d. Overseas Corporate Bodies

#### MAXIMUM AND MINIMUM APPLICATION SIZE

##### **For Retail Individual Investors**

The Application must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed Rs.2,00,000.

##### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs.2,00,000 and in multiples of 1,200 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than Rs.2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **BASIS OF ALLOTMENT**

- 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). For applications where the proportionate allotment works out to less than 1,200 Equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1,200 Equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 3) If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,200 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 1,200 Equity shares subject to a minimum allotment of 1,200 Equity shares.
- 4) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares 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. If as a result of the process of rounding off to the nearest multiple of 1,200 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.
- 5) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net Issue of shares to the public shall be made available for allotment to:
    - i) Individual applicants other than retails individual investors; and
    - ii) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
- 6) Retail Individual Investors' means an investor who applies for shares of value of not more than Rs.2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue 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.

## **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate

basis. The Promoter, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.



For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 195.

#### APPLICATION BY FPIs AND FIIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of a II registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

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 Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 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.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with

the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure “MIM Structure”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10% (1) of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;



The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

*(1) The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks 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 if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### APPLICATIONS BY SCSBS

SCSBS participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. 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.

The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Prospectus and the Prospectus.

### APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, 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 Rs 250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

### ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

**Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### METHOD AND PROCESS OF APPLICATIONS

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **TERMS OF PAYMENT**

The entire Issue price of Rs. 99.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public

issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - a. Name of the Applicant;
  - b. IPO Name;
  - c. Application Form Number;
  - d. Investor Category;
  - e. PAN (of First Applicant, if more than one Applicant);
  - f. DP ID of the demat account of the Applicant;
  - g. Client Identification Number of the demat account of the Applicant;
  - h. Number of Equity Shares Applied for;
  - i. Bank Account details;
  - j. Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - k. Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the

investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO 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 Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated February 10, 2023.

A copy of Prospectus will be filled with the ROC, Chennai, in terms of Section 26 of Companies Act, 2013.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a Pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the Pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This 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 Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.



-Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

## DESIGNATED DATE

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## GENERAL INSTRUCTIONS

### *Do's:*

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have apply within the Price Band
3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RIB bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue. Retail Individual Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App

and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);

12. Ensure that the name(s) given in the 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 Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your application;
14. Retail Individual Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications 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 Applicants 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;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;



26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN 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 and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application 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, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Retail Individual Investors shall 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 Issue Closing Date.
37. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.
38. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” in this chapter;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than Rs. 200,000
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;

14. Applications accompanied by stock invest, money order, postal order or cash;

15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

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## INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “General Information” on page 47.

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 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.

## 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;
- 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 Rs 1 million or 1% 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 Rs 1 million 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 Rs 5 million or with both.

## DEPOSITORY ARRANGEMENTS

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated June 15, 2021 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated September 06, 2022 among CDSL, our Company and Registrar to the Issue.

## UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Issue Closing Date or within such other time period prescribed by SEBI will be taken;
3. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
4. if Allotment is not made within six working days from the Issue Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
5. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;
7. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with SEBI, in the event our Company or subsequently decide to proceed with the Issue;
8. adequate arrangements shall be made to collect all Application Forms from Applicants.
9. the Promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

#### **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

1. 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;
2. details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised 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 unutilised monies have been invested.
4. the utilisation of monies received under the Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
5. the details of all unutilised monies out of the funds received under the Promoter's contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.**

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the FDI policy, FDI in companies engaged in the retail trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 172. Each Applicant should seek independent legal advice about its ability to participate in the issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions 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 Application 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, Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## SECTION X-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

Article No.	Description
	<b>Interpretation</b>
I	<p>(1) The regulations contained in Table 'F' in the SCHEDULE I to Companies Act, 2013, so far as the same may be applicable to a private company, as defined in the Act, shall except otherwise and to the extent provided in these articles, apply to this Company in the same manner as if all such regulations of Table 'F' are specifically contained in these Articles. In the event of any conflict between the provisions of these articles and table f of the companies act, 2013, the provisions of these articles shall prevail. The words and expressions shall have the same meaning as in the companies act, 2013.</p> <p>(2) In These Regulations –</p> <p>(A) "The Act" means the Companies Act, 2013, "Applicable Law" means any statute, law, ordinance, rule, administrative interpretation, regulation, by-law, press note, order, writ, injunction, directive, notification, judgment or decree issued by the Government of India or any of its ministries, departments, secretariats, agencies, legislative bodies, courts and tribunals, whether at the central, state or municipal/local level.</p> <p>(B) "The Seal" Means The Common Seal Of The Company.</p> <p>(C) "Annual General Meeting" means a general meeting of the members held in accordance with the provisions of section 96 of the act and any adjourned holding thereof.</p> <p>(D) "Auditors" means and includes those persons appointed as such, for the time being, by the company to discharge the duties of auditors under the act.</p> <p>(E) "Beneficial Owner" means a beneficial owner as defined in section 2(1)(a) of the depositories act.</p> <p>(F) "Board" means (save for the purpose of Articles 14 and 15 hereof) a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a board, or the requisite number of Directors entitled to pass a resolution by circulation in accordance with these Articles.</p> <p>(G) "Debentures" Includes Debenture-Stock "Company" Means "VELS Film International Limited", a company incorporated under the Act.</p> <p>(H) "Directors" means the directors for the time being of the company or, as the case may be, the directors assembled at the board including any alternate directors.</p> <p>(I) "Dividend" includes bonus</p> <p>(J) "Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.</p> <p>(K) "Financial Year" means, subject to sub-section 41 of section 2 of the act, such period in respect of which any profit and loss account of the company laid before the company in an annual</p>

	<p>general meeting is made up as the board of directors shall determine, whether the period is a year or not.</p> <p>(L) "Member" means the duly registered holder, from time to time, of the shares of the company and includes the subscribers to memorandum of association of the company.</p> <p>(M) "Office" means the registered office for the time being of the company.</p> <p>(N) "Register of Members" means the register of members to be kept pursuant to the act.</p> <p>(O) "Company Secretary" means any individual possessing the prescribed qualifications appointed by the board to perform the duties which may be performed by a company secretary under The Companies Act, 2013.</p> <p>(P) A resolution shall be a "Special Resolution" when –</p> <p>a) The intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution.</p> <p>b) The notice required under the act has been duly given of the general meeting; and</p> <p>c) The votes cast in favour of the resolution (whether on a show of hands or on a poll as the case may be by members who, being entitled to do so vote in person or where proxies are allowed by proxy, are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting.</p> <p>(Q) "Key Management Personnel" means the chief executive officer, the managing director or the manager, the company secretary, the whole-time director, the chief financial officer of the company and such other officer as may be prescribed from time to time.</p> <p>(R) "Memorandum" or "Memorandum Of Association" means the Memorandum of Association of the company.</p> <p>(S) "Articles" or "Articles of Association" means these Articles of Association.</p>
	<b>Share capital and variation of rights</b>
II 1	<p>The Authorised Share Capital of the company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of the Memorandum of Association with the power from time to time to increase or reduce its capital.</p> <p>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.</p>
2	<p>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 one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-</p> <p>a. One certificate for all his shares without payment of any charges; or</p> <p>b. Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p>

	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.
3	<p>i. If any share certificate be worn out, defaced, mutilated 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. Every certificate under this article shall be issued on payment of twenty rupees for each certificate.</p> <p>ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
4	<p>i. If any shares stand in the name of two or more persons, the persons first named in the register or to such person and to such address as the holder or joint holders may in writing direct shall be intimated, as regards payment of dividend or bonus or service of notice and all or and other matters connected with the company, except voting at meeting, the vote of the senior (shall be determined by the order in which the names stand in the register of members) who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such shares and for all the other incidence thereof according to the company's regulations.</p> <p>ii. 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.</p>
5	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Variation of Rights</b>	
6	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of 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.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
7	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 <i>pari passu</i> therewith.
8	Subject to the provisions of Section 55 of Companies Act, 2013, any preference shares may, with the sanction of a special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company may determine.
<b>Lien</b>	
9	<p>i. The company shall have a first and paramount lien --</p> <p>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</p>

	<p>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:</p> <p>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.</p> <p>ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
10	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made –</p> <p>a. Unless a sum in respect of which the lien exists is presently payable; or</p> <p>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.</p>
11	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>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.</p>
12	<p>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.</p> <p>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.</p>
<b>Calls on shares</b>	
13	<p>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:</p> <p>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.</p> <p>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.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>
14	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16	<p>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.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
17	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.
18	<p>The Board-</p> <p>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</p> <p>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.</p>
<b>Transfer of shares</b>	
19	<p>i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>
20	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register –</p> <p>a. The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>b. Any transfer of shares on which the company has a lien.</p>
21	<p>The Board may decline to recognise any instrument of transfer unless –</p> <p>a. The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>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</p> <p>c. The instrument of transfer is in respect of only one class of shares.</p>
22	<p>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:</p> <p>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.</p>
<b>Transmission of shares</b>	
23	<p>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.</p> <p>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.</p>
24	<p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>a. To be registered himself as holder of the share; or</p> <p>b. To make such transfer of the share as the deceased or insolvent member could have made.</p> <p>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.</p>
25	<p>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.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p>

	<p>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.</p>
26	<p>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:</p> <p>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.</p>
<b>Forfeiture of Shares</b>	
27	<p>If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>
28	<p>The notice aforesaid shall –</p> <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol>
29	<p>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.</p>
30	<ol style="list-style-type: none"> <li>A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ol>
31	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>
32	<ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>The transferee shall thereupon be registered as the holder of the share; and</li> <li>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.</li> </ol>
33	<p>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.</p>



Alteration of capital	
34	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.
35	<p>Subject to the provisions of section 61, the company may, by ordinary resolution, -</p> <ol style="list-style-type: none"> <li>Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>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.</li> </ol>
36	<p>Where shares are converted into stock, -</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 "stockholder" respectively.</li> </ol>
37	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -</p> <ol style="list-style-type: none"> <li>Its share capital;</li> <li>Any capital redemption reserve account; or</li> <li>Any share premium account.</li> </ol>
Capitalisation of Profits	
38	<ol style="list-style-type: none"> <li>The company in general meeting may, upon the recommendation of the Board, resolve – <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> </li> <li>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 <ol style="list-style-type: none"> <li>Paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>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;</li> </ol> </li> </ol>

	<p>C. Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>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;</p> <p>E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
39	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <p>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</p> <p>b. Generally do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power –</p> <p>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</p> <p>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;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>
<b>Buy Back of Shares</b>	
40	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.
<b>General Meeting</b>	
41	All general meetings other than annual general meeting shall be called extraordinary general meeting. All general meetings other than annual general meeting shall be called extraordinary general meeting. A General meeting of the Company may be called by giving not less than 21 (Twenty One) days notice in writing. The notice shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. The notice shall be given to the persons entitled under and in the manner provided by the Act and these Articles. The accidental omission to give notice to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting. A general meeting may be called after giving shorter notice than that specified in this article with the consent of one-half of the members as on the date of such meeting.
42	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>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.</p>
<b>Proceedings at General Meetings</b>	
43	<p>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.</p> <p>ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
44	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45	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.

46	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.
<b>Adjournment of Meeting</b>	
47	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
<b>Voting Rights</b>	
48	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, -</p> <ul style="list-style-type: none"> <li>a. On a show of hands, every member present in person shall have one vote; and</li> <li>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.</li> </ul>
49	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50	<ul style="list-style-type: none"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>
51	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.
52	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53	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.
54	<ul style="list-style-type: none"> <li>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.</li> <li>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</li> </ul>
<b>Proxy</b>	
55	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.
56	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57	<p>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:</p> <p>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.</p>

Board of Directors	
58	<p>The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.</p> <ol style="list-style-type: none"> <li>1. Mr.Ishari Kadhirvelan Ganesh</li> <li>2. Ms. Arthi Ganesh</li> <li>3. Ms.Preetha Ganesh</li> </ol>
59	<ol style="list-style-type: none"> <li>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.</li> <li>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 – <ol style="list-style-type: none"> <li>a. In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. In connection with the business of the company.</li> </ol> </li> </ol>
60	The Board may pay all expenses incurred in getting up and registering the company.
61	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.
62	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
63	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>
Proceedings of the Board	
65	<ol style="list-style-type: none"> <li>i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</li> <li>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.</li> </ol>
66	<ol style="list-style-type: none"> <li>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.</li> <li>ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</li> </ol>
67	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.
68	<ol style="list-style-type: none"> <li>i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</li> <li>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 number to be Chairperson of the meeting.</li> </ol>
69	<ol style="list-style-type: none"> <li>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.</li> </ol>

	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.
70	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.
71	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.
72	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.
73	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.
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
74	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
75	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 its 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.
<b>The Seal</b>	
76	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.
<b>Dividends and Reserves</b>	
77	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78	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.
79	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 equalizing 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

80	<p>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.</p> <p>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.</p> <p>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.</p>
81	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.
82	<p>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.</p> <p>ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
83	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.
84	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.
85	No dividend shall bear interest against the company.
<b>Accounts</b>	
86	<p>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.</p> <p>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.</p>
<b>Winding Up</b>	
87	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder –</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Indemnity</b>	
88	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.
<b>Other s</b>	

89	<p>"public company" means a company which—</p> <ol style="list-style-type: none"> <li>Is not a private company; and</li> <li>Has a minimum paid-up share capital, as may be prescribed;</li> </ol> <p>Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;</p>
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## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus 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 No.521/2, Anna Salai Nandanam Chennai – 600 035, Tamil Nadu, India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS TO THE ISSUE

1. Memorandum of Understanding June 30, 2022 dated between our Company and the Lead Manager.
2. Agreement dated June 30, 2022 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated February 10, 2023 between our Company and the Underwriter.
4. Market Making Agreement dated February 25, 2023 between our Company, the Lead Manager and the Market Maker.
5. Public Issue Account agreement dated February 21, 2023 among our Company, the Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
6. Tripartite agreement dated June 15, 2021, among NSDL, our Company and the Registrar to the Issue.
7. Tripartite agreement dated September 06, 2022, among CDSL, our Company and the Registrar to the Issue.

#### MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated October 25, 2019 bearing Corporate Identification Number as U74999TN2019PLC132235 under the name VELS Film International Limited.
3. Resolution of the Board of Directors dated September 09, 2022, authorising the Issue.
4. Resolution of the shareholders dated September 16, 2022, under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Auditor's Report dated December 21, 2022 on the Restated Financial Information of our Company included in this Prospectus.
6. The Statement of Possible Tax Benefits dated July 06, 2022 from our Statutory Auditors included in this Prospectus.
7. Consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Review Auditor, Banker to our Company, Banker to the Issue, the Lead Manager, the Underwriter, the Market Maker, Registrar to the Issue, Legal Advisor to act in their respective capacities.
8. Copy of approval from NSE vide letter dated December 08, 2022 to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
9. Due Diligence Certificate dated September 30, 2022 from the Lead Manager.
10. Copy of Managing Director Agreement between Dr. Ishari Kadhivelan Ganesh and our Company dated April 30, 2022 for his appointment.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Ishari Kadhivelan Ganesh Managing Director DIN: 00269445	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE NON- EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Arthi Ganesh Non- Executive Director DIN: 00568101	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Preethaa Ganesh Non- Executive Director DIN: 07105539	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Sangeetha Santharam Independent Director DIN: 07567200	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Thummala Gangatharan Balaji Independent Director DIN: 00580819	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Sankara Mudaliar Jagadeesan Independent Director DIN: 01799607	Sd/-

**Date:** February 27, 2023

**Place:** Chennai



## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Ganesan Thiagarajan Chief Financial Officer PAN: AABPT5125C	Sd/-

**Date:** February 27, 2023

**Place:** Chennai

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Sampath Kumar Sujatha Company Secretary and Compliance Officer Membership No.: 32181	Sd/-

**Date:** February 27, 2023

**Place:** Chennai