



#### **ULLU DIGITAL LIMITED**

CIN: U92100DL2019PLC343697

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
901, Kanchanjunga Building 18, Barakhamba	CTS No. 639-640, New Link	Ms. Sheriya Jain	Email- compliance@ullu.app	www.ullu.ltd
Road, Janpath, Central Delhi, Delhi-110001,	Road, Near Fun Republic, Andheri	Company Secretary & Compliance	and	
India	West, Mumbai- 400053	Officer	Tel: 05224107574	

#### NAME OF PROMOTER(S) OF THE COMPANY

## MR. VIBHU AGARWAL AND MRS. MEGHA AGARWAL DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS

Туре	Fresh Issue Size (By Number of Shares)	OFS* Size (By amount in Rs. Lakh)	Total Issue Size (By Number of Shares)	Eligibility & Share Reservation among NII & RII
Fresh Issue	62,62,800	Nil	62,62,800	The Offer is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. For details of Share reservation among QIBs, NIIs and RIIs, see "Offer Structure" beginning on page 382.

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto maximum of 10 shareholders)

Name	Туре	No. of shares offered/ Amount in Rs.	WACA in Rs. Per Equity Shares
		NIL	

P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis

#### RISKS IN RELATION TO THE FIRST ISSUI

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of our Equity Shares is ₹10 each and the Floor Price and Cap Price are [•] times and [•] times of the face value of the Equity Shares, respectively. The Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager as stated in "Basis for Issue Price" on page 126 of this Draft Red Herring Prospectus) 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 RISK

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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 29 of this Draft Red Herring Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited for using its name in the Draft Red Herring Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

## **Narnolia®**

#### NARNOLIA FINANCIAL SERVICES LIMITED

Address: 201, 2nd Floor, Marble Arch, 236 B A.J.C Bose Road, Kolkata, West

Bengal- 700020, India
Telephone: +91- 8130678743
Email: pankaj.passi@narnolia.com
Website: www.narnolia.com
Contact Person: Mr. Pankaj Passi

SEBI Registration Number: INM000010791

CIN: U51909WB1995PLC072876

## Towards Eventuria

#### SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020

**Telephone**: +91-11-40450193-97; **Fax No**: +91-11-26812683

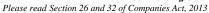
Email: compliances@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Pawan Bisht

SEBI Registration Number: INR000003241

CIN: U74899DL1995PTC071324

/ISSU		

Anchor Bid opens on:	Bid/ Issue open on:	Bid/ Issue Closes on:





#### **ULLU DIGITAL LIMITED**

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "Ullu Digital Private Limited" bearing Corporate Identification Number U92100DL2019PTC343697 dated January 02, 2019, issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into public limited company pursuant to a shareholders' resolution passed at an Annual General Meeting held on September 28, 2023, and name of our Company was changed to "Ullu Digital Limited" and a fresh Certificate of Incorporation dated October 30, 2023 was issued by Registrar of Companies, Delhi. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U92100DL2019PLC343697. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 212 of this Draft Red Herring Prospectus.

Registered Office: 901, Kanchanjunga Building 18, Barakhamba Road, Janpath, Central Delhi, Delhi-110001, India.

Tel: 05224107574, Fax: N.A., Website: <a href="www.ullu.ltd">www.ullu.ltd</a>; E-mail: <a href="compliance@ullu.app">compliance@ullu.app</a>

Company Secretary and Compliance Officer: Ms. Sheriya Jain

OUR PROMOTERS: MR. VIBHU AGARWAL AND MRS. MEGHA AGARWAL

#### THE ISSUE

INITIAL PUBLIC OFFERING UP TO 62,62,800 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF ULLU DIGITAL LIMITED ("UDL" OR THE "COMPANY") FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. [•] LAKHS ("THE ISSUE"). OUT OF THE ISSUE, 3,15,600 EQUITY SHARES AGGREGATING TO RS. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 59,47,200 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. [•]/- PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.50% AND 25.17%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

## THE FACE VALUE OF THE EQUITY SHARES IS RS.10/- EACH AND THE FLOOR PRICE AND CAP PRICE ARE [●] TIMES AND [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.

The price band and the minimum bid lot will be decided by our company, in consultation with the book running lead manager and will be advertised in all editions of [•] (which are widely circulated English daily newspaper) and all editions of [•] (which are widely Hindi daily newspaper) and all editions of [•] the regional language of Delhi, where our registered office is located), at least two working days prior to the bid/ offer opening date and shall be made available to BSE Limited ("BSE", "stock exchange") for the purpose of uploading on their respective website.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBS") (the "QIB Portion"), Done-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Emplo

#### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10/. The Issue Price, Floor Price or the Price band as stated under the chapter titled "Basis for the Issue Price" beginning on page 91 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 29 of this Draft Red Herring Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [•] from BSE Limited for using its name in the Draft Red Herring Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue BSE Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

## **Narnolia®**

#### NARNOLIA FINANCIAL SERVICES LIMITED

Address: 201, 2nd Floor, Marble Arch, 236 B A.J.C Bose Road, Kolkata,

West Bengal- 700020, India
Telephone: +91- 8130678743;
Email: pankaj.passi@narnolia.com
Website: www.narnolia.com
Contact Person: Mr. Pankaj Passi

SEBI Registration Number: INM000010791

CIN: U51909WB1995PLC072876

REGISTAR TO THE ISSUE



### SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020

**Telephone**: +91-11-40450193-97; **Fax No**: +91-11-26812683

Email: compliances@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Pawan Bisht

SEBI Registration Number: INR000003241

CIN: U74899DL1995PTC071324

BID/ISSUE PERIOD

Anchor Bid opens on: Bid/ Issue open on: Bid/ Issue Closes on:

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## **CONTENTS**

## **Table of Contents**

SECTION I – GENERAL	
DEFINITIONS AND ABBREVIATIONS	
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	
FORWARD LOOKING STATEMENTS	20
SECTION II - SUMMARY OF OFFER DOCUMENTS	22
SECTION III- RISK FACTORS	29
SECTION IV- INTRODUCTION	63
THE ISSUE	
SUMMARY OF OUR FINANCIAL INFORMATION	
GENERAL INFORMATION	
CAPITAL STRUCTURE	78
OBJECTS OF THE ISSUE	98
BASIS FOR ISSUE PRICE	
STATEMENT OF TAX BENEFITS	134
SECTION V – ABOUT THE COMPANY	137
INDUSTRY OVERVIEW	
OUR BUSINESS	
KEY REGULATIONS AND POLICIES	
OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS	
OUR MANAGEMENT	
OUR PROMOTERS	
OUR PROMOTER GROUP	
OUR GROUP ENTITIES	
RELATED PARTY TRANSACTION	
DIVIDEND POLICY	
SECTION VI - FINANCIAL INFORMATION	
FINANCIAL STATEMENT AS RESTATED	
OTHER FINANCIAL INFORMATIONMANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESU	
OPERATIONOPERATION	
FINANCIAL INDEBTEDNESS	
SECTION VII - LEGAL AND OTHER INFORMATION	
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	
GOVERNMENT AND OTHER APPROVALS	
OTHER REGULATORY AND STATUTORY DISCLOSURES	325
SECTION VIII – ISSUE INFORMATION	
TERMS OF THE ISSUE	
ISSUE PROCEDURE	
RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	
ISSUE STRUCTURE	
SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION	387
SECTION X- OTHER INFORMATION	402
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	
CECTION VI DECLADATION	404



#### SECTION I – GENERAL

#### **DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Special Tax Benefits", "Industry Overview", "Key Industry Regulations and Policies", "Financial Statements", "Outstanding Litigation and Other Material Developments", will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

#### **General Terms**

Term	Description
"Ullu Digital Limited"	Unless the context otherwise requires, refers to Ullu Digital Limited, a company
or "UDL",	incorporated under the Companies Act, 2013, vide Corporate Identification
"We" or "us" or "the	Number U92100DL2019PLC343697 and having registered office at 901,
Issuer" or "the/our	Kanchanjunga Building 18, Barakhamba Road, Janpath, Central Delhi, Delhi-
Company"	110001, India.
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"you", "your", or "yours"	Prospective Investor in this issue

## **Company Related Terms**

Terms	Description
Articles / Articles of	Unless the context otherwise requires, refers to the Articles of Association of Ullu
Association	Digital Limited, as amended from time to time.
Associate Companies	A body corporate in which any other company has a significant influence, but
	which is not a subsidiary of the company having such influence and includes a
	joint venture company.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit
	Committee is in accordance with Section 177 of the Companies Act, 2013 and rules
	made thereunder and disclosed as such in the chapter titled "Our Management" on
	page 218 of this Draft Red Herring Prospectus.
Auditors/ Statutory	The Statutory Auditors of our Company, being Samprk & Associates, Chartered
Auditors	Accountants having firm registration number 013022N.
Board of Directors /	The Board of Directors of Ullu Digital Limited, including all duly constituted
Board/ Director(s)	committees thereof.



Control Dogistration	It's an initiative of the Ministry of Cornerete Affairs (MCA) in Covernment
Central Registration	It's an initiative of the Ministry of Corporate Affairs (MCA) in Government
Centre (CRC)	ProcessRe-engineering (GPR) with the specific objective of providing speedy
	incorporation related services in line with global best practices. For more details,
	please refer
	http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.htm
	1
Companies Act	The Companies Act, 2013
Chief Financial	The Chief Financial Officer of our Company being Mr. Rajesh Agarwal
Officer	1 3 6 3
Company Secretary	The Company Secretary and Compliance Officer of our Company being Ms.
and Compliance	Sheriya Jain.
Officer	Sherrya Jam.
	The Denositories Act 1006 as amonded from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each unless otherwise
	specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	In terms of SEBI ICDR Regulations, the term "Group Companies" includes
	companies (other than promoters and subsidiary) with which there were related
	party transactions as disclosed in the Restated Financial Statements as covered
	under the applicable accounting standards, and any other companies as considered
	material by our Board, in accordance with the Materiality Policy, as described in
	"Our Group Companies" on page 243 of this Draft Red Herring Prospectus.
HUF	Hindu Undivided Family.
Independent Director	A Non- executive, Independent Director as per the Companies Act, 2013 and the
macpendent Director	Listing Regulations.
In the CAAD	
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number, In this case being INE0S8O01012.
Key Managerial	Key Management Personnel of our Company in terms of the SEBI Regulations and
Personnel /	the Companies Act, 2013. For details, see section entitled "Our Management" on
Key Managerial	page 218 of this Draft Red Herring Prospectus.
Employees	
MOA / Memorandum /	Memorandum of Association of Ullu Digital Limited.
Memorandum of	
Association	
Non-Residents	A person resident outside India, as defined under FEMA.
Nomination and	The committee of the Board of Directors constituted as the Company's Nomination
Remuneration	and Remuneration Committee is in accordance with Section 178 of the Companies
Committee	Act, 2013 and rules made thereunder and disclosed as such in the chapter titled
Committee	<u> </u>
NIDI. / N. D. 11 :	"Our Management" on page 218 of this Draft Red Herring Prospectus.
NRIs / Non-Resident	A person resident outside India, as defined under FEMA Regulation and who is a
Indians	citizen of India or a Person of Indian Origin under Foreign Exchange Management
	(Transfer or Issue of Security by a Person Resident Outside India) Regulations,
	2000 as amended from time to time.
Peer Review Auditor	Peer review Auditor having a valid Peer Review certificate in our case being M/s
	Jain V. & Co, Chartered Accountants (FRN: 116306W) having their office at 11,
	3rd Floor, Lalmani Building, Dr. A M Road, Bhuleshwar, Mumbai – 400002.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated
	The state of the s



	organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters or Our Promoters	Mr. Vibhu Agarwal and Mrs. Megha Agarwal.
Promoters Group	The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, which is provided in the chapter titled "Our Promoters Group". For further details refer page 242 of this Draft Red Herring Prospectus.
Registered Office	The Registered office of our company which is located at 901, Kanchanjunga Building 18, Barakhamba Road, Janpath, Central Delhi, Delhi-110001, India.
Restated Financial Statements	The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities for the period ended September 30, 2023 and year ended as at March 31, 2023; March 31, 2022 and March 31, 2021 and the restated statements of profit and loss and the restated cash flows for the period ended September 30, 2023 and March 31, 2023; March 31, 2022; & March 31, 2021 of our Company, together with the summary statement of significant accounting policies, and other explanatory information thereon, each derived from the audited financial statements of our Company for the six month period ended September 30, 2023 and for Financial Years March 31, 2023, March 31, 2022 and March 31, 2021 each prepared in accordance with Ind AS, and restated in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI.
ROC	Registrar of Companies, Delhi.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Stakeholders'	The committee of the Board of Directors constituted as the Company's
Relationship Committee	Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled "Our Management" on page 218 of this Draft Red Herring Prospectus.
Stock Exchange/	Unless the context requires otherwise, refers to, the SME Platform of BSE Limited.
Exchange	
Subsidiary	For details of our Subsidiary, refer section titled "History and Certain Corporate Matters" beginning on page no. 212 of this Draft Red Herring Prospectus.
Subscribers to MOA	Initial Subscribers to the MOA & AOA being Mr. Vibhu Agarwal and Mrs. Megha



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<u> </u>	Agaiwai.	
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## **Issue Related Terms**

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued as per SEBI ICDR Regulations and appended to
-	the Application Form.
Acknowledgement	The slip or document issued by a Designated Intermediary to a Bidder as proof of
Slip	registration of the Bid cum Application Form.
Allocation Note	Shares which will be Allotted, after approval of Basis of Allotment by the
	Designated Stock Exchange.
Allotment/ Allot/	Unless the context otherwise requires, allotment of the Equity Shares pursuant to
Allotted	the Fresh Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are
	to be Allotted the Equity Shares after the Basis of Allotment has been approved by
	the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in
	accordance with the requirements specified in the SEBI ICDR Regulations and the
	Draft Red Herring Prospectus/ Red Herring Prospectus and who has Bid for an
	amount of at least Rs. 200 lakhs.
Anchor Investor	The price at which Equity Shares will be allocated to the Anchor Investors in terms
Allocation Price	of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus,
	which will be decided by our Company in consultation with the Book Running
	Lead Manager during the Anchor Investor Bid/Offer Period.
Anchor Investor	The application form used by an Anchor Investor to make a Bid in the Anchor
Application Form	Investor Portion, and which will be considered as an application for Allotment in
	terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the
	Prospectus.
Anchor Investor	The day, being one Working Day prior to the Bid/Offer Opening Date, on which
Bidding Date	Bids by Anchor Investors shall be submitted, prior to and after which the Book
	Running Lead Manager will not accept any Bids from Anchor Investors, and
	allocation to Anchor Investors shall be completed.
Anchor Investor	The final price at which the Equity Shares will be issued and Allotted to Anchor
Offer Price	Investors in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus
	and the Prospectus, which price will be equal to or higher than the Offer Price but
	not higher than the Cap Price. The Anchor Investor Offer Price will be decided by
	our Company in consultation with the BRLM.
Anchor Investor	Up to 60% of the QIB Portion, which may be allocated by our Company, in
Portion	consultation with the BRLM, to Anchor Investors on a discretionary basis in
	accordance with the SEBI ICDR Regulations, out of which one third shall be
	reserved for domestic Mutual Funds, subject to valid Bids being received from
	domestic Mutual Funds at or above the Anchor Investor Allocation Price, in
	accordance with the SEBI ICDR Regulations.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares of our
	Company in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our
	Company in terms of this Draft Red Herring Prospectus.



Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by BlockedAmount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA Applicant.
ASBA Application Location(s)/ SpecifiedCities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank/ Refund Banker.	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [•].
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the issue and which is described under chapter titled "Issue Procedure" beginning on page 346 of this Draft Red Herring Prospectus.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Bid cum Application Form.
Bidder	Any investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor application form or ASBA form (with and without the use of UPI, as may be applicable), whether physical or electronic, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus.
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
Bidding/Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e 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.
Book Building	The book building process, as described in Part A, Schedule XIII of the SEBI ICDR



Process	Regulations, in terms of which the Issue will be made
Book Running Lead	The book running lead manager to the Issue, namely Narnolia Financial Services
Manager or BRLM	Limited.
Business Day	Monday to Friday (except public holidays).
CAN or	The note or advice or intimation sent to Anchor investors indicating the Equity
Confirmation of	Shares which will be Allotted, after approval of Basis of Allotment by the
Allocation Note	designated stock exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor
- ·· <b>r</b>	Offer Price will not be finalised and above which no Bids will be accepted. The
	Cap Price shall be atleast 105% of the Floor Price.
CARE Report	The Industry Report Titled "Industry Research Report on Digital Media Industry"
	taken from Credit Analysis & Research Ltd.
Client ID	Client Identification Number maintained with one of the Depositories in relation to
	Demat account.
Collecting	A depository participant as defined under the Depositories Act, 1996, registered
Depository	with SEBI and who is eligible to procure Applications at the Designated CDP
Participants or CDPs	Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated
	November 10, 2015 Issued by SEBI.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the
	ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list
	of which is available at http://www.sebi.gov.in, or at such other website as may be
Digital Personal Data	prescribed by SEBI from time to time.  An Act to provide for the processing of digital personal data in a manner that
Protection Act, 2023	recognises both the right of individuals to protect their personal data and the need
Trotection Act, 2023	to process such personal data for lawful purposes and for matters connected
	therewith or incidental thereto.
Data Principal	As per DPDP Act, 2023 means an Individual who provides personal data as per
•	Digital Personal Data Protection Act, 2023.
Data Fiduciaries	As per DPDP Act, 2023 means a person who manages as determine the purpose for
	processing the personal data.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation
	and bank account details.
	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA
Designated Branches	Applicants and a list of which is available at www.sebi.gov.in, or at such other
	website as may be prescribed by SEBI from time to time.
D 1 1 1 D 1	The date on which relevant amounts blocked by SCSBs are transferred from the
Designated Date	ASBA Accounts to the Public Offer 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 blocked by the SCSBs in the ASBA Accounts to the Public Offer Account
	or the Refund Account, as the case may be, in terms of the Draft Red Herring
	Prospectus following which Equity Shares will be Allotted in the Offer.
Designated	In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the
Intermediaries/	Application Amount in the ASBA Account, Designated Intermediaries shall mean
Collecting Agent	SCSBs. In relation to 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, Designated Intermediaries shall mean syndicate



	members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="https://www.bsesme.com">www.bsesme.com</a> .
Designated SCSB Branches	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 Intermediaries [www.sebi.gov.in] or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE. (BSE SME)
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated February 11, 2024, issued in accordance with Section 26 and 32 of the Companies Act, 2013 and the SEBI (ICDR) Regulations and filed with BSE SME for obtaining In- Principle Approval.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
SME Platform of Bombay Stock Exchange of India (BSE)	The SME Platform of Bombay Stock Exchange of India (BSE) for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant Floor Price	The applicant whose name appears first in the Application Form or Revision Form.  The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
General Information Document / 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, 2013, notified by SEBI and certain other amendments to applicable laws 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 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI and included in the chapter "Issue Procedure" on page no. 346 of this Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public	Initial Public Issue of 62,62,800 Equity Shares of face value of Rs.10/- each fully paid up of our Company for cash at a price of Rs. [●]/- per Equity Share (including a premium of Rs. [●]/- per Equity Share) aggregating Rs. [●] Lakhs.



Offering/ IPO	
Issue Agreement/ Memorandum of Understanding (MOU)	The agreement/MOU dated February 08, 2024, between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription i.e. [●]
Issue Opening Date	The date on which Issue opens for subscription i.e. [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus.
Issue Proceeds	Proceeds from the Issue will be, being Rs. [●] Lakhs.
Book Running Lead	Book Running Lead Manager to the Offer, in this case being Narnolia Financial
Manager/ BRLM/LM	Services Limited.
Listing Agreement	The equity listing agreement to be signed between our Company and BSE Limited.
Market Maker	Market Makers appointed by our Company from time-to-time [●] having SEBI registration number [●] who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered into between the BRLM, Market Maker and our Company dated [●].
Market Maker Reservation	The Reserved Portion of 3,15,600 equity shares of face value of Rs.10/- each fully paid for cash at a price of Rs. [●] /- per equity share aggregating Rs. [●] Lakh for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Offer	The Issue (excluding the Market Maker Reservation Portion) of 59,47,200 Equity Shares of Rs.10/- each of Issuer at Rs. [●] /- (including share premium of Rs. [●] /- per equity share aggregating to Rs. [●] /- Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page 98 of this Draft Red Herring Prospectus.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000.



OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Price Band	The price band ranging from the Floor Price of Rs. [•] per Equity Share to the Cap Price of Rs. [•] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLM, will be advertised in all editions of [•] (a widely circulated English national daily newspaper) and all editions of [•] (a widely circulated Hindi national daily newspaper, all editions of [•] being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. [•] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified InstitutionalBuyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 Lakh, pension fund with minimum corpus of Rs. 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date.
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being [●].



Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being Skyline Financial Services Private Limited. For more information, please refer "General Information" on page 68 of this Draft Red Herring Prospectus.
Registrar Agreement	The agreement dated February 08, 2024, entered between our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (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.
Revision Form	The form used by the Applicants to modify the quantity of the Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s). QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Application Amounts (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can withdraw or revise their Application until Offer Closing Date).
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case being [•].
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the BRLM and the Syndicate Member in relation to the procurement of Bids by the Syndicate.
Syndicate Member(s)	[•]
Underwriter	Underwriter to this Issue is [●].
Underwriting Agreement	The agreement dated [●] entered into between [●] and our Company
UPI/ Unified Payments Interface	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business.  1. However, in respect of announcement of price band and bid/ Offer period,



- working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business.
- 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

## **Conventional Terms / General Terms / Abbreviations/ Industry related terms**

Abbreviation	Full Form
"₹" or "Rs." or	Indian Rupees, the official currency of the Republic of India
"Rupees" or "INR"	
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BIS	Bureau of Indian Standards
BSE	BSE Limited (BSE)
BSE	Bombay stock Exchange of India
BSE SME	SME Platform of BSE
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CEO	Chief Executive Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DCS	Distributed Control System
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DP	Depository Participant
DPDP Act	Digital Personal Data Protection Act, 2023
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the
	regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management
	(Transfer or Issue of Security by a Person Resident outside India) Regulations,
	2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY/Fiscal/Financial	Period of twelve months ended March 31 of that particular year, unless otherwise
Year	stated



GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India
Troisium Buiner	(Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NGT	National Green Tribunal
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
OSP	Other Service Provider
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PCB	Pollution Control Board
PSU	Public Sector Undertaking
QA/QC	Quality Assurance / Quality Control
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
SPV	Special Purpose Vehicle
STT	Securities Transaction Tax
Super Area	The built-up area added to share of common areas which includes staircases,
	reception, lift shafts, lobbies, club houses and so on
TPDS	Targeted Public Distribution System
US/United States	United States of America



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USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
UPI/ Unified	Unified Payments Interface (UPI) is an instant payment system developed by the
Payments Interface	NPCI. It enables merging several banking features, seamless fund routing &
	merchant payments into one hood. UPI allows instant transfer of money between
	any two persons bank accounts using a payment address which uniquely identifies
	a person's bank a/c
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1,
	2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3,
	2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28,
	2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26,
	2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated
	November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated
	March 30, 2020, SEBI circular number
	SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular
	number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular
	number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular
	no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no.
	SEBI/HO/CFD/DIL2/P/CIR/P/2022/51 dated April 20, 2022, SEBI circular no.
	SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 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).
	The request initiated by the Sponsor Bank and received by an RII using the UPI
UPI Mandate Request	Mechanism to authorize blocking of funds on the UPI mobile or other application
	equivalent to the Bd Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a RIB to make an application in the
	Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138)
	dated November 1, 2018S
UPI PIN	Password to authenticate UPI transaction
VCF / Venture	Foreign Venture Capital Funds (as defined under the Securities and Exchange
CapitalFund	Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI
	under applicable laws in India.
WEO	World Economic Outlook
	I .

## **Technical / Industry related Terms**

Term	Description
API	Application Programming Interface
B2B	Business to Business
B2C	Business to Customer
D2C	Director to Customer
CARE	Credit Analysis & Research Limited
SWA	Screenwriter's Association
IFTPC	Indian Film and Television Producers Council
F	Frequency
Hz	Hertz
ULBs	Urban Local Bodies
ADR	Automated Dialogue Replacement



ART Acquisition Retention and Transaction  AV Audio Visual  CCTV Close Circuit Television  DCI Digital Cinema Initiative  DTH Direct-to-Home  DVD Digital Versatile Disc  FCP Final Cut Pro  FM Frequency Modulation  GEC General Entertainment Channel  HD High Definition  HMVL Hindustan Media Ventures Limited  I&B Information & Broadcasting  IMDB Internet Movie Data Base  IMPAA Indian Motion Pictures Producers Association  IPTV Internet protocol Television  OTT Over-The-Top
CCTV Close Circuit Television  DCI Digital Cinema Initiative  DTH Direct-to-Home  DVD Digital Versatile Disc  FCP Final Cut Pro  FM Frequency Modulation  GEC General Entertainment Channel  HD High Definition  HMVL Hindustan Media Ventures Limited  I&B Information & Broadcasting  IMDB Internet Movie Data Base  IMPAA Indian Motion Pictures Producers Association  IPTV Internet protocol Television
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FM Frequency Modulation GEC General Entertainment Channel HD High Definition HMVL Hindustan Media Ventures Limited I&B Information & Broadcasting IMDB Internet Movie Data Base IMPAA Indian Motion Pictures Producers Association IPTV Internet protocol Television
GEC General Entertainment Channel  HD High Definition  HMVL Hindustan Media Ventures Limited  I&B Information & Broadcasting  IMDB Internet Movie Data Base  IMPAA Indian Motion Pictures Producers Association  IPTV Internet protocol Television
HD High Definition  HMVL Hindustan Media Ventures Limited  I&B Information & Broadcasting  IMDB Internet Movie Data Base  IMPAA Indian Motion Pictures Producers Association  IPTV Internet protocol Television
HMVL Hindustan Media Ventures Limited  I&B Information & Broadcasting  IMDB Internet Movie Data Base  IMPAA Indian Motion Pictures Producers Association  IPTV Internet protocol Television
I&B       Information & Broadcasting         IMDB       Internet Movie Data Base         IMPAA       Indian Motion Pictures Producers Association         IPTV       Internet protocol Television
IMDB       Internet Movie Data Base         IMPAA       Indian Motion Pictures Producers Association         IPTV       Internet protocol Television
IMPAA       Indian Motion Pictures Producers Association         IPTV       Internet protocol Television
IPTV Internet protocol Television
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OTT Over-The-Ton
Over the top
M&E Digital Media &Entertainment
MRP Maximum Retail Price
OOH Out OF Home
OTP Over The Top
PR Public relations
PPV Pay Per View
SD Standard Definition
STB Set Top Box
TRAI Telecom Regulatory Authority of India
TV Television
VFX Visual Effects
UAC Universal App Campaigns
VOD Video on Demand
VSAT Very Small Aperture Terminal
GEC General Entertainment Channels

## *Notwithstanding the foregoing:*

- 1. In the section titled "Main Provisions of the Articles of Association" beginning on page number 387 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- 2. In the chapters titled "Summary of Offer Documents" and "Our Business" beginning on page numbers 22 and 167 respectively, of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- 3. In the section titled "Risk Factors" beginning on page number 29 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- 4. In the chapter titled "Statement of Tax Benefits" beginning on page number 134 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- 5. In the chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page number 296 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.

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## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

#### **Certain Conventions**

All references in the Draft Red Herring Prospectus to "India" are to the Republic of India. All references in the Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

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

#### **Financial Data**

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Financial Statements which comprise the restated statement of assets and liabilities for the six month period ended September 30, 2023 and as at March 31, 2023, March 31, 2022, and March 31, 2021, the restated statement of profits and loss (including other comprehensive income), and the restated statement of cash flows for the Six month period ended September 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021 together with the summary statement of significant accounting policies, and other explanatory information thereon, each derived from the audited financial statements of our Company for the Six month period ended September 30, 2023 and the Financial Years March 31, 2023, March 31, 2022 and March 31, 2021, each prepared in accordance with Ind AS, and restated in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and included in "Summary of Financial Information", "Restated Financial Information" and "Managements Discussion and Analysis of Financial Condition and Results of Operations" on page 65, 252 and 296, respectively.

Our Company's financial year commences on April 1 and ends on March 31 of next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year or FY are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving difference between Ind AS, U.S. GAAP and IFRS see "Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows" on page 52. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act 2013, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. Further, any figures sourced from third – party industry sources may be rounded off to other than two decimal points to conform to their respective sources.



Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Conditional and Results of Operations" on pages 29, 167 and 296 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts based on or derived from our Restated Financial Statements.

## **Currency and units of presentation**

In this Draft Red Herring Prospectus, All references to:

- o 'Rupees' or '₹' or 'Rs.' are to Indian Rupees, the official currency of the Republic of India.
- o 'U.S.\$', 'U.S. Dollar', 'USD' or 'U.S. Dollars' are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in "lakhs" units or in whole numbers where the numbers have been too small to be represented in lakhs. One lakh represents 1,00,000 and ten lakhs represents 10,00,000 and one crore represents 1,00,00,000 and ten crores represents 10,00,000. However, where any figures that may have been sourced from third-party industry sources may be expressed in denominations other than lakhs, such figures have been expressed in this Draft Red Herring Prospectus in such denominations as provided in their respective sources.

## **Exchange Rates**

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

Unless otherwise particularly stated in the Draft Red Herring prospectus, the following table set forth, for period indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

(Amount in Rupees)

Currency	Exchange Rate as on				
	March 2023	March 2022	March 2021		
1 USD	82.22	75.81	73.50		

Source: RBI / Financial Benchmark India Private Limited (www.fbil.org.in)

#### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the CARE Analytics and Advisory Private Limited ("CARE") or ("CareEdge") and publicly available information as well as other industry publications and sources.

CARE is an independent agency which has no relationship with our Company, our Promoters, any of our directors or Key Managerial Personnel or the Book Running Lead Managers. The CareEdge Report has been exclusively commissioned pursuant to an engagement letter with CareEdge dated December 13, 2023, for the purpose of confirming our understanding of the industry in which the Company operates, in connection with the Offer. The CARE Report will be made available on the website of our Company at <a href="www.ullu.ltd">www.ullu.ltd</a> from the date of the Draft Red Herring Prospectus till the Bid/ Offer Closing Date.



Excerpts of the CARE Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the CARE Report which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency CARE Analytics and Advisory Private Limited, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.", on page 53. Accordingly, investment decisions should not be based solely on such information.

## Disclaimer of CARE Analytics and Advisory Private Limited

This Draft Red Herring Prospectus contains data and statistics from report of CARE Analytics and Advisory Private Limited, which is subject to the following disclaimer:

"This report is prepared by CARE Analytics and Advisory Private Limited. CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research, which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.



CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

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#### FORWARD LOOKING STATEMENTS

All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute forward-looking statements". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historicalfacts. These forward-looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- our ability to maintain tie-ups with our national and international agencies and production houses;
- our ability to successfully identify audience requirements and preferences and gain audience acceptance for our content;
- our ability to manage our working capital cycles and generate sufficient cash flow to satisfy any additional working capital requirements.
- our ability to maintain quality standards;
- changes in the competition landscape;
- our ability to successfully implement strategy, growth and expansion plans;
- our ability to respond to new innovations in our industry;
- our ability to attract and retain qualified personnel;
- our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to adapt with the technological advancements;
- conflict of Interest with affiliated companies, the promoter group and other related parties;
- general social and political conditions in India which have an impact on our business activities or investments;
- impact of Covid 19 pandemic or any future pandemic;
- market fluctuations and industry dynamics beyond our control;
- developments affecting the Indian economy;

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 29, 167 and 296, respectively of this Draft Red Herring Prospectus.

Forward looking statements reflect views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. 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. Neither our Company / our Directors nor the BRLM, nor any of its 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, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

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#### SECTION II - SUMMARY OF OFFER DOCUMENTS

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant for prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including in "Definitions and Abbreviations", "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Ind AS Summary Statements", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Terms of the Articles of Association" beginning on pages 2, 29, 63, 78, 98, 137, 167, 237, 242, 252, 346, 312 and 387, respectively.

#### SUMMARY OF OUR BUSINESS OVERVIEW

Our Company was incorporated as a private limited company with the name of "Ullu Digital Private Limited" under the Companies Act, 2013 vide certificate of incorporation dated January 02, 2019, issued by Registrar of Companies, Delhi, bearing CIN U92100DL2019PTC343697. Further, our company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Annual General Meeting held on September 28, 2023 & name of our Company changed from Ullu Digital Private Limited to Ullu Digital Limited & Registrar of Companies, Delhi has issued a new certificate of incorporation consequent upon conversion dated October 30, 2023, bearing CIN U92100DL2019PLC343697.

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, exhibition, exploitation, promotion, marketing and delivery of diverse content on our platform/app named "Ullu". Our platform/app provides a diverse range of web series, short films and shows to our audience. We offer a mix of romance, drama, thriller, comedy and other genres to cater to the varied tastes of its audience.

We collaborate with various production houses or independent creators or writers who take the lead in developing the concepts, scripts, and storylines. Thereafter, the responsibilities are distributed among various stakeholders, including production companies, and other professionals. Our company is involved in deciding the budget and reviewing and providing feedback, but on-the-ground execution of the project is solely done by the production house.

Furthermore, our in-house team of content writers generates specific scripts, which are then entrusted to our reliable and independent production houses, while other scripts originate from the creative input of collaborating with production houses.

Although the production house handles the entire pre-production and production processes, our company is involved in post- production process and maintains ownership of all rights including Intellectual Property rights, copyrights, character rights as well as Distribution, exploitation, and marketing rights of the content across the entire territory and in perpetuity. The production house is responsible for obtaining necessary approvals for content production. Therefore, our company holds exclusive and sole rights over the content.

We refrain from providing any advance payment for content/project development to production houses. Payments are made solely upon the successful delivery of the content, thereby relieving our company from any associated liabilities or losses.

The app/platform operates on a subscription-based model. Users can subscribe to the app to access a vast library of content, including both existing content and new releases. The subscription model allows us to sustain our content creation efforts and maintain a dedicated viewer base. The cost-effective subscription plan



enables us to attract a higher number of subscribers.

#### **SUMMARY OF OUR INDUSTRY**

#### Global Entertainment & Media Sector Outlook:

Entertainment and media refer to the broad range of industries encompassing various forms of communication and entertainment, including television, film, radio, music, publishing, advertising, and digital media. It creates, produces, and distributes content that informs, entertains, and engages audiences across various platforms and channels.

The main products of entertainment and media are film, music, social media, video and animation, video games, and others. A film refers to a movie or motion picture, a form of visual art that conveys a story or a message through a series of moving images, which is used to entertain, educate, and inspire, and often reflect and comment on society and culture. The revenues earned medium include advertisement revenue, subscription-based revenue, and others used for wire, wireless, and others.

#### Rise Of OTT Services Accelerates Growth in The Entertainment And Media Market

The increasing OTT services are expected to propel the growth of the entertainment and media market going forward. Over-the- top (OTT) refers to a kind of content delivery paradigm that displaces traditional cable or satellite television providers by allowing consumers to stream and access audio, video, and other media material directly via the Internet. OTT services play a crucial role in the entertainment and media industries by providing a personalized viewing experience, driving content distribution strategies, and fostering market growth and innovation. For instance, in April 2023, according to a press release shared by Netflix Inc., a US-based streaming media company, Netflix had 223 million paying subscribers in the fourth quarter of 2022, and by the first three months of 2023, that number had risen to 231 million. Therefore, the increasing use of OTT services is driving the growth of the entertainment and media market.

(Source: <a href="https://www.thebusinessresearchcompany.com/report/entertainment-and-media-global-market-report">https://www.thebusinessresearchcompany.com/report/entertainment-and-media-global-market-report</a>)

## **Indian Entertainment and Media Sector:**

Traditionally the Media and Entertainment (M&E) industry has been a creative industry following technological innovations and market expectations. By its inherent nature, the industry is extremely dependent on markets, cultures, languages, and consumer segments. Also, M&E is unique as it appeals to customers on psychological, emotional, and aspirational levels, making quality and acceptance very subjective to each individual. Besides, there has been content that has transcended the language barrier and worked across segments globally.

## Overview of OTT

OTT or over-the-top refers to television and film content that can be viewed using an internet connection instead of a satellite service or cable connection. This can be paid access or free of cost wherein users can watch movies, series, TV shows, and more content of their choice. The OTT technology has facilitated a plethora of options for people to watch their favourite content on numerous devices like smart TVs, mobiles, computers, tablets, and more. The platforms catered to diverse audience preferences by offering content in multiple languages. These include Hindi, English, Marathi, Tamil, and regional languages.



Further, OTT platforms in India have employed various monetization models, including subscription-based services, freemium models, and advertising-supported content.

Moreover, the competition among these platforms is leading to increased investments in original content production to attract subscribers. The platforms are heavily investing in creating exclusive & high-quality web series and movies to differentiate themselves in the market. At the same time, the Indian audience has shown a growing interest in consuming content that reflects their cultural context, leading to an increase in regional and vernacular content production.

(Source: CARE Report on "Digital Media Industry")

## PROMOTERS OF OUR COMPANY

The promoters of our Company are Mr. Vibhu Agarwal and Mrs. Megha Agarwal. For detailed information please refer to the chapter titled "Our Promoters" and "Our Promoter Group" on page number 237 and 242 respectively of this Draft Red Herring Prospectus.

#### **ISSUE SIZE**

The issue size comprises of fresh issue of 62,62,800 Equity Shares of face value of Rs.10/- each fully paid-up of the Company for cash at price of Rs. [●] /- per Equity Share (including premium of Rs. [●]/- per Equity Share) aggregating total issue size amounting to Rs. [●] Lakhs.

#### **OBJECTS OF THE ISSUE**

Our Company intends to utilize the Net Proceeds for the following objects:

S. N.	Particulars	Amount (In Rs. Lakh)
1	Production of new content	3000.00
2	Purchase of International Shows	2000.00
3	Purchase of State-of-the-art Equipment and Hiring of Staff	1500.00
4	Working Capital Requirement	5000.00
5	General Corporate Purposes	[•]
6	Issue Expenses#	[•]
	Total	[•]

<sup>\*</sup>Tentative Figures

<sup>\*\*</sup>The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue. #As certified by M/s Jain V. & Co., Chartered Accountants as on February 07, 2024, the Company has incurred a sum of Rs. 11. 50 Lakhs towards issue expenses.



# AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER:

	Pre issue		issue	Post	issue				
Sr. No.	Name of shareholder	No. of equity Shares	equity Issued		As a % of Issued Capital				
	Promoters								
1	Vibhu Agarwal	1,07,23,800	61.75%	1,07,23,800	45.38%				
2	Megha Aggarwal	57,75,000	33.25%	57,75,000	24.44%				
	Total – A	1,64,98,800	1,64,98,800 95.00%		69.82%				
		Promoter (	Froup						
3	Shashi Agarwal	300	Negligible	300	Negligible				
4	Samridhi Agarwal	300	Negligible	300	Negligible				
5.	Sumati Agarwal	300	Negligible	300	Negligible				
6.	Ayush Agarwal	300	Negligible	300	Negligible				
	Total – B	1,200	Negligible	1,200	Negligible				
	Grand Total (A+B)	1,65,00,000	95.00%	1,65,00,000	69.82%				

## SUMMARY OF FINANCIAL INFORMATION

(Amount in Lakhs)

Particulars	For the period ended 30 <sup>th</sup> September 2023	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
Share Capital	578.95	550.00	10.00	10.00
Net Worth	3,671.33	2,075.90	566.33	170.02
Revenue from operation	5,833.61	9,314.55	4,682.68	2,756.73
Profit after Tax	1,227.80	1,511.06	392.89	125.71
EPS Basic and Diluted	22.00	27.47	392.89	125.71
NAV per Equity Share (in Rs.)	63.41	37.74	566.33	170.02
Total borrowings				
- Long Term	160.48	177.13	77.32	89.87
- Short Term	67.12	64.86	197.07	108.19

## **QUALIFICATIONS OF AUDITORS**

The Restated Financial Statements do not contain any qualification requiring adjustments by the Peer review auditors.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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



(Amount in Rs.)

Name	Criminal Proceedings	Tax Proceedings	Statutory or regulatory actions	Civil Proceedings	Other Material litigations	Aggregate amount involved*		
Company								
Ву	-	-	-	-	-	-		
Against	-	1**	-	-	-	20,61,732/-		
Promoter								
Ву	-	-	-	-	-	-		
Against	-	-	-	-	-	-		
Director								
Ву	-	-	-	-	-	-		
Against	-	3	-	-	-	Amount inestimable		
Subsidiary								
Ву	-	-	-	-	-	-		
Against	-	-	-	-	-	-		
Group Companies								
Ву	-	-	-	-	-	-		
Against	-	3	-	-	-	Amount inestimable		

<sup>\*</sup> To the extent quantifiable

For further details, please refer to the chapter titled "Outstanding Litigations & Material Developments" beginning page 312 of this Draft Red Herring Prospectus.

## **RISK FACTORS**

For details relating to risk factors, please refer to the section titled "*Risk Factors*" beginning on page 29 of this Draft Red Herring Prospectus.

#### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

For Further information regarding the contingent liabilities, please refer to the Chapter Titled "Financial Information: on page 252 of this Draft Red Herring Prospectus.

#### SUMMARY OF RELATED PARTY TRANSACTIONS

## Disclosure as pr Ind AS 24 "Related Party Disclosure

Name of the related parties with whom transactions have taken place and nature of relationship.

Major Shareholder / Key Management Person	Mr. Vibhu Agarwal	Mrs. Megha Agarwal
Relative of Directors	Mrs. Shashi Rani Agarwal	

<sup>\*\*</sup> The GST authorities have issued several notices regarding discrepancies in the company's filed returns, and only one demand notice amounting to Rs. 20,61,732/- has been issued.



Enterprises in which management is key management personnel has significant influence (Other)

- 1. Himalaya Fibertech Cement Private Limited
- 2. Jaypeeco India Private Limited
- 3. Ullu Digital Australia Pty Ltd.

## (Amt in Lakh)

	Nature of September 30, 2023 March 31, 2023 March 31, 2022						(Time the Edicit)			
Nature of					ch 31, 202			31, 2022		31, 2021
Transaction	Relative of	Other	KMP	Relative of	Others	KMP	Other	KMP	Other	KMP
	Directors			Directors						
a) Equity										
Contributions										
Opening		-	550.00	-	-	10.00	-	10.00	-	10.00
Bonus shares	-	-	-	-	-	540.00	-	-	-	-
Issued During										
the Year										
Share Sold	0.04		(0.04)							
Closing	0.04	-	550.00	-	-	550.00	-	10.00	-	10.00
	-	-		-	-	(10.00)	-	(10.00)	-	(10.00)
b)	-	-	150.00	-	-	78.00	-	78.00	-	60.30
Remuneration										
Paid										
	-	-	123.00	-	-	(78.00)	-		-	
- Balance Cr	-	-	30.72	-	-	18.17	-	1.35	-	1.35
	-	-	18.17	-	-	3.50	-	(4.27)	-	(4.27)
c) Unsecured								( ' )		( ' )
Loans										
Opening			157.69							
- Received	-	100.0	40.60	-	140.16	40.60	-	61.65	-	61.65
		0								
- Repaid	-		174.68	-	40.16	174.69				
- Balance Cr		0.10	23.61	8.00	100.00	23.61		61.65	-	61.65
	(8.00)	-		(8.00)	-	(157.69)	-	-	-	-
- Balance Dr	-	_	_	-	(71.00)	-		_		_
c) Purchase	_	_		_	510.68	_	953.76		1666.50	
/Expenses/	-		-	-	310.06	-	933.70	-	1000.50	-
Reimbursemen										
t/ Advances										
- Balance Cr	_	328.00	_	_	_	_	123.74	_	1080.59	_
- Darance Ci		266.48		_	-	-	(577.76)		(129.73)	
- Balance Dr	_	123.42	-	-	61.91	-	123.42	-	311.41	
- Darance Di		143.44	-		1.80		(61.60)		(41.56)	
- Income	-		-	-	259.27	-	(123.22)	-	132.45	-
		247.04	-		239.27	-				
- Balance Dr	-	247.84	-	-		-	(118.30)		57.85	-
	-	247.84	-	-	118.30	-	57.85	-	(56.40)	-

<sup>\*</sup>Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

For Further details of Related Party Transaction, please refer to the chapter titled Note 29 on page 279of this Draft Red Herring Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, 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 Draft Red Herring Prospectus.



# WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTERS IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares held	Weighted Average Price* (in Rs.)
Vibhu Agarwal	1,07,23,800	Negligible
Megha Aggarwal	57,75,000	Negligible

<sup>\*</sup>The weighted average cost of acquisition of equity shares by our promoters in the last one year is "0".

Note: As Certified by M/s Jain V. & Co., Chartered Accountants dated February 02, 2024.

## AVERAGE COST OF ACQUISITION

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition* (in
		Rs.)
Vibhu Agarwal	1,07,23,800	0.06
Megha Aggarwal	57,75,000	0.06

<sup>\*</sup> As Certified by M/s Jain V. & Co., Chartered Accountants dated February 02, 2024.

#### DETAILS OF PRE-ISSUE PLACEMENT

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

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

Our company has not issued any equity shares other than cash in the last one year except the following:

S.N.	Date of allotment	Type of allotment	Number of shares issued
1.	23-01-2024	Bonus Issue	1,15,78,946

For Further Information regarding the Equity Shares issued by the company for consideration other than cash, please refer to the Chapter Titled "Capital Structure" on page 78 of this Draft Red Herring Prospectus.

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

Our Company has not done any sub-division of its Equity shares in the last one year.

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

Our Company has not filed any exemption application with SEBI as on date of draft Red Herring Prospectus.



#### SECTION III- RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page numbers 167 and 296, respectively, of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled "Financial Information, as Restated" beginning on page number 252 of this Draft Red Herring Prospectus.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled "Report on Digital Media industry" dated December 2023 prepared by CARE Analytics and Advisory Private Limited ("CARE" and such report, the "CARE Report" or CareEdge Report"). We have commissioned and paid for the CARE Report for the purpose of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CARE in connection with the preparation of the CARE Report pursuant to the engagement letters dated December 13, 2023. A copy of the CARE Report shall be available on the website of our Company from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date. The data included in this section includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation.

This Draft Red Herring Prospectus also 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 many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus. These risks are not the only ones that our Company faces. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to Ullu Digital Limited.

#### **Materiality**

The Risk factors have been determined based on their materiality, which has been decided based on following factors:



- 1. Some events may not be material individually but may be material when considered collectively.
- 2. Some events may have an impact which is qualitative though not quantitative.
- 3. Some events may not be material at present but may have a material impact in the future.

#### INTERNAL & BUSINESS RISK FACTORS

## 1. We are recognized by our brand name.

Our business relies heavily on the strength and recognition of our brand name, "Ullu." A robust brand name is a valuable asset, facilitating subscribers' acquisition and partnership opportunities. However, any decline in the perceived value of our brand poses a significant risk to our business. A decrease in brand value could lead to diminished trust, reduced attractiveness to partners, and a negative impact on revenue streams. It may also result in difficulties in retaining existing subscribers and acquiring new ones. Therefore, safeguarding and enhancing our brand reputation are critical to the continued success and growth of our business. For further information regarding our business and brand, please refer to the chapter titled "Our Business" on page 167 of this Draft Red Herring Prospectus.

## 2. Our Company does not own the premises through which we conduct our business operations.

The premises on which our Registered Office is situated is owned by Mr. Rajesh Ahuja, Neeru Ahuja and Rhul Ahuja jointly (hereinafter called the "lessors"), and the same has been occupied and used by us on lease basis *vide* lease deed dated December 22, 2023, executed between our Company and the Lessors. In addition to our Registered Office, we also operate from our corporate office which is situated at Mumbai and branch office at Lucknow which are also taken on a leasehold basis. The details of our registered office, corporate office and branch office are as follows:

S. No.	Address	Owned/ leased	Type
1.	901, Kanchanjunga Building 18, Barakhamba Road, Janpath,	Lease	Registered
	New Delhi, India 110001		Office
	CTS No. 639-640, New Link Road, Near Fun Republic,	Lease	Corporate
2.	Andheri West, Mumbai- 400053		office
	14th floor, CTS No. 639-642, New Link Road, Near Fun	Lease	
	Republic, Andheri West, Mumbai- 400053		
3.	102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar	Lease	Branch office
	Pradesh, India, 226001		

We cannot assure you that we will be able to continue the above arrangements on commercially acceptable or favourable terms in future. In the event we are required to vacate the current premises, we would be required to make alternative arrangements for new premises and other infrastructure and facilities. We cannot assure that the new arrangements will be on terms that are commercially favourable to us. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. For details regarding such leasehold properties, please refer to chapter titled "Our Business" on page. 167 of this Draft Red Herring Prospectus.



# 3. Our Business is dependent upon the taste and preferences of the audience. Any shift in consumer taste and preference will have a negative impact on our business.

The entertainment industry is prone to unforeseen shifts in tastes and preferences of audiences, which can significantly impact our Company's operations. The content on our platform is available on Asian and other continent, demand for which depends substantially on consumer tastes or preferences that often change in unpredictable ways. This unpredictability makes it crucial for us to consistently deliver high quality content that meets the dynamic and evolving tastes of the broad consumer market within Indian and other continent. The popularity and economic success of our shows, web series and films and other content depends on many factors including general public tastes, key talent involved, the promotion and marketing of the content, the quality and acceptance of other competing programs released into, general economic conditions, the genre and specific subject matter of the content or film and other tangible & intangible factors, all of which can change, are factors that we cannot predict with certainty and which may be beyond our control. If we are unable to deliver the content that appeal to audiences or to accurately judge audience acceptance of content, the commercial success of such shows will be in doubt, which could result in costs exceeding revenues generated or anticipated profits not being realized, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

## 4. Piracy of our content may adversely impact our revenues and business.

Our business is highly dependent on maintenance of intellectual property rights of the entertainment products and services we create. Piracy of media products, including digital and internet piracy and the sale of counterfeit consumer products, may decrease revenue received from the exploitation of our products. Consumer awareness of illegally accessed content and the consequence of piracy is lower in India than in Western countries and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement of our intellectual property rights is difficult and the protection of intellectual property rights in India may not be as effective as in other countries. Existing copyright and trademark laws in India afford only limited practical protection and the lack of internet-specific legislation relating to trademark and copyright protection creates a further challenge for us to protect our content delivered through such media. Notwithstanding the anti-piracy measures we take, there can be no assurance that we will be able to prevent piracy of our products.

Unauthorized distribution and sharing of our content through piracy channels can lead to financial losses, undermining our ability to monetize intellectual property. The prevalence of piracy may erode subscriber numbers, affecting our market position and hampering the success of our content. This could result in lost revenue, result in significantly reduced pricing power and could have a material adverse effect on our business, prospects, financial condition and results of operations.

# 5. The proposed Broadcasting Services (Regulation) Bill 2023 poses a significant risk on our company, potentially stifling creativity, curtailing growth, content censorship and increasing compliance costs.

Currently our company is not subject to any government regulations or regulatory or other requirement for our business activities. The absence of any regulation provides us with flexibility, allowing us to adapt and innovate without being bound by specific regulatory constraints. It provides us with the freedom to shape our strategies, content offerings, and business models in response to market dynamics and changing consumer preferences.

However, the proposed bill "Broadcasting Services (Regulation) Bill 2023" introduces a significant risk for our company. The bill's potential implementation could impose stringent regulations, potentially stifling creativity, Registration/Licensing, Age-Appropriate Classification, Censorship, Content removal, compliance



cost, curtailing growth opportunities, and eroding user trust. The regulatory framework may demand significant adjustments, compliance measures, and investment in legal and operational aspects. Navigating through these changes might pose challenges, impacting on the overall operational efficiency and financial health of our company. Strategies to align with potential regulatory requirements and maintain a balance between creative freedom and compliance will become crucial for sustained success in this evolving regulatory landscape.

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

Our film content may be deemed objectionable by certain viewers or civil society organizations, both domestically and internationally. This could arise due to various factors such as graphic content, including violence or intimate scenes, as well as politically oriented shows or those targeting specific audience segments. Such objections may lead to legal claims, attempts to ban the exhibition of our shows, protests, or other forms of opposition from interest groups, political parties, religious organizations, or other entities. Any of these actions have the potential to damage our reputation and significantly impact our business, prospects, financial condition, and results of operations. Additionally, the content we produce and distribute may result in legal claims related to defamation, hurting religious sentiments, invasion of privacy, negligence, obscenity, or facilitating illegal activities, all of which could have a material adverse effect on our business, prospects, financial condition, or results of operations.

7. Inadequate management of technical glitches may compromise user satisfaction, engagement, and subscriber retention, posing a threat to our app's seamless operation and user experience.

Technical glitches in our app may adversely affect user experience and business operations. The occurrence of software bugs, server issues, or other technical malfunctions could lead to service interruptions, buffering problems, or disruptions in content delivery. Our tech team performs a major part in addressing and resolving these issues. Failure to effectively manage technical glitches may result in subscriber dissatisfaction, decreased user engagement, and potential loss of subscribers. Additionally, technical glitches may impact our ability to attract new users and retain existing ones.

8. The restated financial statements have been provided by peer reviewed chartered accountants who are not statutory auditors of our Company.

The Restated Financial Information of our Company as disclosed in section titled "Restated Financial statements" beginning on Page no. 252 of this Draft Red Herring Prospectus for the period ended September 2023 and year ended on March 31, 2023, 2022 and 2021, are provided by peer reviewed auditor namely Jain V and Co., chartered accountants having FRN number 116306W and peer review certificate number 013691, who is not the Statutory Auditor of our Company. Peer-reviewed accountants may not have the same level of access and understanding of your company's operations and internal controls as the statutory auditors. This limited access could result in an incomplete review and potentially miss important risks or errors. There is a risk that material misstatements or errors in the financial statements may not be detected or adequately addressed by peer-reviewed accountants.

9. Our business heavily relies on the expertise and guidance of our Directors and Key Managerial Personnel to ensure sustained success. The loss of any of them could have a significant impact on our company.

Our Company's success is heavily reliant on the continued services and support of our Key Managerial Personnel, as well as the guidance and contributions of our directors. These individuals play a crucial role in executing our day-to-day operations and driving the growth of our business. The loss of any of our Key Management Personnel or Directors, or the inability to recruit suitable replacements, could have a significant



adverse effect on our Company. The departure of these key individuals could seriously impair our ability to manage and expand our business efficiently, ultimately impacting on our bottom line. We understand the importance of retaining qualified employees at a reasonable cost and recognize that their skills and expertise are crucial to executing our growth strategy. Without a competent and committed workforce, we may struggle to achieve our business objectives. For further information regarding our Directors and Key Managerial Personnel, please refer to the chapter titled "Our Management" starting on page 218 of this Draft Red Herring Prospectus.

# 10. The success of our business is highly dependent on the skills, creativity, and availability of a few key individuals. Any loss of these individuals, or their unavailability, could have a significant negative impact on the business and its operations, potentially leading to increased costs, decreased revenue, and damage to the business's reputation.

The success of our business mainly "Original Content Business Model" is largely dependent on the talents and expertise of a few key individuals, such as scriptwriters, artists, technicians. These individuals are the backbone of the creative process, and their unique skills and creativity are not readily replaceable. Therefore, the success of a project or script depends on the abilities and contributions of these few people. Additionally, their availability and timely delivery of services are also crucial for the smooth execution of a project. In the event that a scriptwriter, is not available when needed, this could cause significant delays and disruption to the story preparation, potentially leading to increased costs and decreased revenue.

Further, loss of any of these key personnel due to any reason, such as disputes, illness, or other unforeseen circumstances, can have a significant negative impact on a project. The loss of a key scriptwriter, for example, could mean that the story development process comes to a halt, leading to a significant delay in production. This could impact on the reputation of the business and its ability to attract and retain talent in the future.

Furthermore, our inability to attract additional skilled artists, particularly script writers and other technical personnel could have a material adverse effect on our business, financial condition and results of operations. For further details of our business, please refer to chapter titled "Our Business" beginning on Page 167 of this Draft Red Herring Prospectus.

### 11. Intensified competition may result in content price escalation which may restrict our ability to access content and/or talent.

Our industry is highly competitive, and we face intense competition from various players in the market. As competition intensifies, the price of content and talent may escalate, which may restrict our ability to access quality content and/or talent. We face intense competition from both Indian and foreign competitors, many of which are substantially larger and have greater financial resources than us. Growth in the entertainment industry in recent years has attracted new industry participants and competitors. The entry of such competitors may change the media and entertainment industry in ways that may not favour us. The ability to secure quality content and talent is a key driver of our business, and any inability to access them may adversely affect our operations and financial performance. We may not be able to compete effectively in the market, which may lead to a decline in our market share and revenues. Further, any significant increase in the price of content and talent may lead to a rise in our production budget, which may adversely impact our margins and profitability. We may also face difficulties in passing on such cost increases to our subscriber's, which may further impact our financial performance. For further information on our peers, please refer to chapter titled "Our Business" on page no. 167 of this Draft Red Herring Prospectus.



## 12. There is outstanding litigation pending against our Promoters which, if determined adversely, could affect our business, results of operations and financial condition.

In the usual course of business our Promoter is involved in a legal proceeding before an arbitral tribunal, in India, and, if decided against our Promoter, could adversely affect the business, results of operations and financial condition of our Company. We cannot assure you that the currently outstanding legal proceedings will be decided favourably or that no further liability will arise from these claims in the future. The amounts claimed in the proceeding have been disclosed to the extent ascertainable. For details, see "Outstanding Litigation and Material Developments" on page 312.

Cases against our Company and promoters:

(₹ in Rupees)

Name	Criminal Proceedings	Tax Proceedings	Statutory or sregulatory actions	Civil Proceedings	Other Material litigations	Aggregate amount involved*
Company						
By	-	-	-	-	-	-
Against	-	<i>1</i> **	-	-	-	20,61,732/-
Promoter						
Ву	-	-	-	-	-	-
Against	-	-	-	-	-	-
Director				1		
By	-	-	-	-	-	-
Against	-	3	-	-	-	Amount
						inestimable
Subsidiary	'			'		
By	-	-	-	-	-	-
Against	-	-	-	-	-	-
Group Compa	nies	,		•		
Ву	-	-	-	-	-	-
Against	-	3	-	-	-	Amount
						inestimable

<sup>\*</sup> To the extent quantifiable

For further details of legal proceedings involving the Company, please see section titled "Outstanding Litigations and Material Developments" beginning on page 312 of this Draft Red Herring Prospectus.

### 13. There may be a potential conflict of interest between our company and our directors or Key Managerial Personnel.

Our Managing Director Mr. Vibhu Agarwal and our Whole Time Director Mrs. Megha Agarwal holds Potential conflict of interest in our group entities engaged in the similar line of business as of our company. Our Group company "Atrangii Network Private Limited" is running an OTT platform, similar to our Company, further, our promoters serve as promoters and directors on their board. We have not entered into any non-competence agreement with our directors and Key Managerial Personnel to ensure that there will be not conflict of interest. Therefore, we cannot provide a guarantee that they will not favour the interest of the said

<sup>\*\*</sup> The GST authorities have issued several notices regarding discrepancies in the company's filed returns, and only one demand notice amounting to Rs. 20,61,732/- has been issued.



entities over our company or indirectly compete with us. 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. For further details, please refer to chapter titled "Our Management" on Page 218 of this Draft Red Herring Prospectus.

## 14. Our Company relies on Production houses for the pre- production, production and post- production processes. Any delay in delivery of content from the production houses will significantly affect our revenues and profitability.

Our company does not possess an In-House production facility, and we depend on external A-grade Production houses for the pre-production and production processes, for both the "Original Content Business Model" and the "Content Licensing Business Model." Potential delays in content delivery from these production houses could negatively impact our business operations, revenues, and profitability, leading to challenges in meeting our business obligations.

In the event of a termination of a production service agreement under the "Original Content Business Model," securing another production house on short notice may pose difficulties. Moreover, outsourcing the production process to external production houses entails fixed production budgets and commission payments, introducing additional costs and financial considerations for our business.

## 15. Maintaining our Company image and reputation in the industry is critical to our success, and any failure to do so could damage our reputation and brand.

We believe that our brand name and reputation are important corporate assets that help distinguish our content from those of our competitors and also contribute to our efforts to recruit and retain talented professionals and content creatives.

However, our reputation is susceptible to damage by various factors such as actions or adverse publicity about our company, competitors in legal disputes instigated by competitors, and scrutiny from the investment community and media outlets. There is a risk that negative information about our Company, even if based on false rumours or misunderstandings, could adversely affect our business. Any negative news relating to us might also affect our reputation, goodwill and brand value. In particular, damage to our reputation could be difficult and time-consuming to repair, especially due to the competitiveness in our industry, which could make potential or existing reduction in subscribers' rates and lesser opportunities for us to collaborate with different industry players, thereby resulting in a loss of business, and adversely affecting our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name, could reduce investor confidence in us, affect the price of our Equity Shares and adversely affect our ability to grow our business and our results of operations and financial condition.

## 16. We have entered into certain Collaboration agreements with various entities and some of them are revenue sharing.

Our company has established collaboration agreements with various entities, some of which entail revenue sharing arrangements. The renewal or cancellation of these existing agreements could significantly impact our business operations. For instance, our collaboration with Atrangii Network Private Limited involves the transfer of non-exclusive and transferable rights, such as satellite, digital, social media, and distribution of licensed content within specified territories and platforms. Revenue generated from this collaboration is collected by the licensee and shared between the parties, with our company receiving 40% and Atrangii Network Private Limited receiving 60%. While these agreements hold promise for enhancing our business



prospects, customer engagement, and market recognition, the comparatively lower share of revenue allocated to our company may impede our financial growth. For more details on this collaboration, please refer to the "Our Business" section on page 167 of the Draft Red Herring Prospectus.

## 17. Our company have entered into a Collaboration agreement with Hindustan Media Ventures Limited. Our business would be adversely affected if we were unable to renew or cancellation of existing agreements/memorandum of understanding.

The company has collaborated with Hindustan Media Ventures Limited (HMVL) to supply content through APIs for inclusion in their Distributor Platform. HMVL possesses significant rights to utilize and market the content on its platform, incorporating the company's branding. Subscribers have the ability to access, stream, and download the content. In exchange for these services, the distributor has made a specified payment or guarantee, along with a cost per subscriber, to the company. The term of the agreement is Five (5) years and shall be extended by the parties on mutually acceptable terms. For more details on this collaboration, please refer to the "Our Business" section on page 167 of the Draft Red Herring Prospectus.

### 18. Our business operations are dependent on Internet Connectivity and Electricity Infrastructure.

Our business operations rely to a great extent on both internet connectivity and electricity infrastructure. This poses a risk to our business operations. In an increasingly digitalized environment, uninterrupted internet access is essential for various business functions, and any disruptions can hinder communication, data transfer, and overall productivity. Simultaneously, dependence on stable electricity is critical for powering essential infrastructure and maintaining seamless operations. Potential challenges, such as power outages or network failures, may lead to operational downtime, data loss, and financial repercussions.

## 19. If we are not successful in executing our strategy to increase our subscriber base and generate Intellectual property-based revenue ("IP") based revenue, our results of operations may suffer.

An important part of our growth strategy is to increase our audience or subscribers to our app by attracting new subscribers. Our results of operations may fluctuate, in part, as a result of decrease in the subscribers and audience on our platform or decrease in our Intellectual property-based revenue, i.e., revenue obtained through partnerships or content licensing on other OTT platforms or channels and any other international collaborations related to our content. As part of our efforts, we invest considerable time and expense in our Company's inhouse marketing team.

Our marketing efforts typically require an extensive effort, a significant investment of human resources, expense and time, including by our senior management, and there can be no assurances that we will be successful in bringing in larger audience on our platform. If our marketing efforts do not result in sufficient revenue to justify our investments, our business, financial condition, and results of operations could be adversely affected. For details regarding our business, please refer to the chapter titled "Our Business" on page 167 of this Draft Red Herring Prospectus.

## 20. Our Company has negative cash flows from its operating, investing and its financing activities in the stub period and past financial years, details of which are given below. Sustained negative cash flow could impact on our growth and business.

Our Company had negative cash flows from our investing and financing activities in the previous years as per the Restated Financial Statements and Our Company had negative cash flows from our operating activities in the stub period due to payment to vendors as per the Restated Financial Statements and the same are



summarized as under.

(Amount in Lakhs)

Net Cash Generated	For the period	For the year	For the year	For the year	
from	ended on	ended on	ended on	ended on	
	<b>September 30, 2023</b>	March 2023	March 2022	March 2021	
Operating Activities	(481.99)	167.67	582.01	386.13	
Investing Activities	(29.62)	(133.83)	(44.63)	(125.65)	
Financing Activities	341.42	(53.87)	35.20	24.13	

This investment outflow is essential for maintaining a competitive content library and attracting subscribers, it also poses a risk to our financial stability.

For more details, kindly refer to the page no. 252 in the chapter "Financial Information".

## 21. The creative, marketing and Tech team are key to our business. Thus, Employees Benefit expenses and professional charges constitutes a major portion of our expenses. Such significant increase in this cost could lead to lower profitability.

At present, we have 108 employees providing services in our company. Being an OTT platform, a major percentage of our revenue is diverted towards the employee benefit expenses, purchases of content and cost of production. Our employees include, content creation team, marketing and sales management team and tech team.

We believe that these employees and personnel are key to our success in business operations. In order to conduct our business, which includes providing a variety of content of different genre, we need highly 37inalizatio and efficient employees. These professionals are expert of their area of work. If we experience a slowdown in subscribers to our app/platform, we may not be able to efficiently reallocate our team to other content and projects to keep their 37inalizatio and productivity levels high.

Our Company's ability to execute current and upcoming shows/content depends largely on their ability to attract, train, motivate and retain highly skilled employees/personnel. The attrition rates in the industry in which we operate have been high due to a highly competitive skilled labour market in India. We invest in training our employees that we hire to perform the services we provide.

The performance of our Company will be benefited on the continued service of these persons or replacement of equally competent persons from the domestic or global markets. We may have difficulty in redeploying and retraining our professionals to keep pace with continuing changes in technology, evolving standards and changing audience preference.

The details of Employee Benefit Expenses are given as below:

(Amount in Lakhs)

Particulars	For the period ended on	For the year ended on	For the year ended on	For the year ended on March
	<b>September 30, 2023</b>	March 2023	March 2022	2021
Revenue from Operations	5833.61	9314.55	4682.68	2756.73
Employee Benefit Expense	621.87	842.05	400.06	261.87
Percentage (%)	10.66%	9.04%	8.54%	9.50%

For more details, kindly refer page no. 252 in the chapter "Financial Information".



## 22. Our major revenue is sourced from our subscription earnings. Our inability or failure to manage and attract more subscribers could adversely affect our business.

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, exhibition, exploitation, promotion, marketing and delivery of diverse content on our platform/app named "Ullu". The majority of our revenue from operations is concentrated from subscription earnings from India as well as abroad. Our high dependence on this revenue stream could be risky for our operations. Our inability of failure to source subscribers could adversely affect our business.

The details revenue bifurcation on"the 'asis of diverse revenue streams is given below:

(Amount in lakhs)

Particulars	September 2023	March 2023	March 2022	March 2021
Subscription earnings	5,786.30	9,051.17	4,655.08	2,507.97
YouTube Based Income	-	6.58	24.63	11.26
Advertisement Income	26.80	175.98	-	-
Intellectual Property Revenue	6.11	0.93	-	237.50
Coupon Related Services	1.90	9.53	2.98	-
Others*	12.50	70.35	-	-
Total	5,833.61	9,314.55	4682.69	2756.73

For further details regarding the revenue bifurcation, kindly refer to the Chapter Titled "Our Industry & Our Business" on page no 137, 167 of the Draft Red Herring Prospectus.

### 23. Our major revenue is diverted towards the purchases of content/shows and cost of production.

A significant portion of our revenue is directed towards the acquisition of content and production costs. While this investment is essential for maintaining a competitive content library and attracting subscribers, it also poses a risk to our financial stability. Any fluctuations in content acquisition costs or production expenses could impact our profitability and financial performance. Moreover, failure to effectively monetize this content through subscription fees or advertising revenue could further exacerbate this risk, potentially leading to financial losses and hindering our ability to sustain growth in the competitive OTT market.

The details of the same are as follows:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023	For the year ended on March 2023	For the year ended on March 2022	For the year ended on March 2021
Revenue from Operations	5833.61	9314.55	4682.68	2756.73
Purchase of content	2,344.09	3,139.79	2,657.06	2,294.98
Percentage (%)	40.18%	33.71%	56.74%	83.25%
Cost of Production	332.83	956.63	374.05	322.38
Percentage (%)	5.71%	10.27%	7.99%	11.69%

For more details, kindly refer page no. 252, in the chapter "Financial Information".



## 24. Our profitability will suffer if we are not able to maintain our pricing, subscription plan, control costs or continue to expand our business through audience engagements.

Our Company's profit margin and incidentally our profitability, is majorly dependent on the rates we charge for providing the content i.e., Subscription rates. If we fail to maintain the pricing without consistent cost reductions, our profitability and business will be affected. The pricing levels and subscription plan are influenced by number of factors like Content Catalog, Exclusive content, streaming Quality, production budget, add free options, platform features, competitive landscape, market demand, user feedback and industry trends.

Our ability to manage our 39 inalizatio levels depends significantly on our ability to hire and retain professionals and to staff appropriately. If we are not able to maintain high resource 39 inalizatio levels without corresponding cost reductions or price increases, our profitability will be adversely affected. In the event of a slowdown due to any external factors, we may be over-staffed and required to carry excess employee-related expenses which could affect our financial condition.

### 25. Our group companies have incurred losses in the past and may incur losses in the future.

Our group entities have incurred losses in the past. There can be no assurance that our Group entities will not incur losses in the future, which may have an adverse effect on our reputation and business.

#### ATRANGII NETWORK PRIVATE LIMITED:

(Amount in Lakhs)

Profitability	For the year ended on March 2023		
Profit/(Loss) after Tax	(180.14)		
Net worth	(170.14)		

### HIMALAYA FIBERTECH CEMENT PRIVATE LIMITED:

(Amount in Lakhs)

Profitability	For the year	For the year	For the year
	ended on	ended on	ended on
	March 2023	March 2022	March 2021
Profit/(Loss) after Tax	(22.52)	1.78	1.87
Net worth	91.40	113.92	112.14

#### **ULLU DIGITAL AUSTRALIA PTY LTD:**

(Amount in AUD)

Profitability	For the year	For the year	For the year
	ended on	ended on	ended on
	March 2023	March 2022	March 2021
Net earnings	(3,540.21)	24,277.58	8,258.93
Total shareholders' equity	34,457.79	37,998.01	13,720.43
Retained Earnings	32,877.79	36,418.01	12,140.43

For further information regarding our Group Entities, please refer to the capital titled "Our Group Entities" on page 243 of this Draft Red Herring Prospectus.



### 26. We have in past entered into related party transactions and we may continue to do so in the future.

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group for the period ended 30 September 2023 and for the year ended March 2023, 2022, 2021. The company undertakes that the related party transactions entered into by the company are in compliance with the provisions of Companies Act, 2013 and rules made thereunder. The related party transactions entered by the company for the period ended September 2023 and the year ended March 2023, 2022, 2021 on the basis of standalone and restated financials statements are given below:

### *Transactions with related parties:*

Following are the details as per the Restated standalone Financial Information as at and for the period ended September 30, 2023, and the Financial Year ended on March 31, 2023, March 31, 2022, and March 31, 2021.

### Name of the related parties with whom transactions have taken place and nature of relationship.

Major Shareholder / Key Management Person	Mr. Vibhu Agarwal	Mrs. Megha Agarwal				
Relative of Directors	Mrs. Shashi Rani Agarwal					
Enterprises in which management is key management personnel has significant influence (Other)	<ol> <li>Himalaya Fibertech C</li> <li>Jaypeeco India Private</li> <li>Ullu Digital Australia</li> </ol>	Limited				

(Amt in Lakh)

Nature of	Septem	ıber 30, 2	2023	Mar	ch 31, 202	3	March 31, 2022		March 31, 2021	
Transaction	Relative of	Other	KMP	Relative of	Others	KMP	Other	KMP	Other	KMP
	Directors	S		Directors			S		S	
a) Equity										
Contributions										
Opening		-	550.00	-	-	10.00	-	10.00	-	10.00
Bonus shares	-	-	-	-	-	540.00	-	-	-	-
Issued During										
the Year										
Share Sold	0.04		(0.04)							
Closing	0.04	-	550.00	-	-	550.00	-	10.00	-	10.00
	-	-		-	-	(10.00)	-	(10.00)	-	(10.00)
b)	-	-	150.00	-	-	78.00	-	78.00	-	60.30
Remuneration										
Paid										
	-	-	123.00	-	-	(78.00)	-		-	
- Balance Cr	-	-	30.72	-	-	18.17	-	1.35	-	1.35
	-	-	18.17	-	-	3.50	-	<b>(4.27)</b>	-	(4.27)
c) Unsecured										
Loans										
Opening			157.69							
- Received	-	100.0	40.60	-	140.16	40.60	-	61.65	-	61.65
		0								
- Repaid	-		174.68	-	40.16	174.69				
- Balance Cr		0.10	23.61	8.00	100.00	23.61		61.65	-	61.65
	(8.00)	-		(8.00)	-	(157.69)	-	-	-	-
- Balance Dr	-	-	-	-	(71.00)	-		-		-
c) Purchase	-		-	-	510.68	-	953.76	-	1666.50	-
/Expenses/										
Reimbursemen										
t/ Advances										
- Balance Cr	-	328.00	-	-	-	-	123.74	-	1080.59	-



	-	266.48	-	-	-	-	(577.76)	-	(129.73)	-
- Balance Dr	-	123.42	-	-	61.91	-	123.42	-	311.41	-
	-		-	-	1.80	-	(61.60)	-	(41.56)	-
- Income	-		-	-	259.27	-	(123.22)	-	132.45	-
- Balance Dr	-	247.84	-	-	247.84	-	(118.30)	-	57.85	-
	-	247.84	-	-	118.30	-	57.85	-	(56.40)	-

<sup>\*</sup>Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that our Company will enter into related party transactions in the 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 operation. For details, please refer to "Note 29 "Related Party Transactions" on page no. 279 of this Draft Red Herring Prospectus.

## 27. Our Company requires a significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect the results of operations.

Our Company's business operations require a significant amount of working capital. In our business, working capital is often required to finance the salaries of employees and for procurement of content, cost of production of content and marketing the same. In the event we are unable to source the required amount of working capital, we might not be able to efficiently satisfy the demand and preferences of our audience in a timely manner or at all. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect our business.

There exist substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. The details of our working capital for the projected, estimated and audited period are as follows:

(Amount in Lakhs)

Particulars	March 31,	March	March 31,	Septembe	March	March
	2021	31, 2022	2023	r 30, 2023	31, 2024	31, 2025
	(Audited)	(Audited)	(Audited)	(Audited)	(Estimated)	(Projected)
Current Assets						
Trade Receivables	103.01	187.94	455.89	385.11	475.00	712.50
Inventories	1682.59	3071.26	4968.41	4524.03	5500.00	8250.00
Other Current Assets	466.49	229.68	241.06	173.06	327.00	2990.00
Cash & Cash	388.81	961.39	941.37	771.18	875.00	980.00
Equivalent						
Total	2640.90	4450.27	6606.73	5853.38	7177.00	13265.50
Current Liabilities						
Trade Payables	1476.24	2354.64	2301.54	1811.01	1950.00	2145.00
Other Current	983.88	1342.18	1883.62	900.57	1025.00	1127.50
Liabilities						



Short Term Provisions	57.98	168.21	619.79	1032.31	1800.00	1980.00
Total	2518.10	3865.03	4804.95	3743.89	4775.00	5250.50
WC Requirement	122.80	585.24	1801.78	2109.49	2402.00	8013.00
Internal Accruals**	122.80	585.24	1801.78	2109.49	2252.00	3163.00
IPO Proceeds		-	-	-	150.00	4850.00

<sup>\*</sup>Figures are Tentative

# 28. Our Promoters and promoter group have significant controlling interest over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder. Further they have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Upon completion of this Issue, our promoters along with the promoter group will collectively hold 69.82% of the post issue equity share capital of our Company and also continue to enjoy remuneration or benefits, reimbursements of expenses. As a result, our Promoter and promoter group will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting.

There can be no assurance that our Promoters and Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

## 29. Significant security breaches in our software, data and network infrastructure and fraud could adversely impact our business.

Our company is maintaining all the database online, thus we have to maintain a huge amount of private and personal data and network infrastructure. We collect and store subscribers' data, content and other infrastructure to provide our content. We rely on third party tools for the security and authentication necessary to effect secure transmission of confidential subscriber information, such as their names and other information, and there can be no assurance that such security controls over subscribers' data will be able to prevent, counter or respond to any security breach or the improper disclosure of confidential information in a timely manner, or at all. We have no control over the security measures put in place by such third-party channels to prevent such breaches and attacks or their actions in this respect.

Breaches of cyber-security measures could result in misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. There could also be instances of misappropriation of user data by our employees or third party service providers. We may be required to invest significant time and resources including financial resources to prevent such security breaches or to mitigate problems caused by such breaches. Further, our business may

<sup>\*\*</sup>Internal Accruals include funds raised from issue of shares, cash accruals for the year and short-term debt, if any.



be harmed by concerns over playing games on mobile phones. Malware could subscribe to the paid services without the consumer's consent resulting in fraudulent charges to consumers.

A breach of our security, compromise of data or resilience affecting Its operations, or those of our customers, could lead to an extended interruption to its services as well as loss of subscriber information and other confidential data. The impact of such a failure could include immediate financial losses due to fraud and theft, termination of contracts, immediate loss of revenue and reputation.

## 30. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively prevent and detect any frauds or misuse of funds. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may decline over time. There can be no assurance that additional deficiencies or lacks in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies of lacks in our internal controls. If internal control weaknesses are identified in a delayed manner, our actions may not be sufficient to correct such internal control weakness. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

### 31. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.

Our Promoter's average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered though this Draft Red Herring Prospectus. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to page no. 28 of this Draft Red Herring Prospectus.

## 32. Our Company may not have complied with certain statutory provisions of the Companies Act, 2013. Such non-compliances / lapses may attract penalties and prosecution against the Company and its directors which could impact the financial position of the Company to that extent.

We monitor compliances with applicable laws and regulations by implementing stringent internal checks and controls. Although we have generally been in compliance with applicable laws, there have been certain instances of discrepancies/errors in statutory filings. Although no regulatory action has been taken against us with respect to the aforesaid non-compliances/errors, there can be no assurance that regulatory action shall not be taken by the relevant authorities against us in the future. In an event such an action is taken, we may be subject to penalties and other consequences that may adversely impact our business, reputation, and results of operation and there can be no assurance that we shall be able to successfully defend any action/allegation raised by such regulatory authorities. Our compliance team meticulously follows a detailed compliance calendar providing for compliances under various applicable laws, including but not limited to the Companies Act. As we continue to grow, there can be no assurance that deficiencies in our internal controls shall not arise, or that we shall be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. There may be recurrences of similar discrepancies/errors in the future that could subject our Company to penal consequences under applicable laws. Any such action could adversely impact our business, reputation, and results of operation.

The details of non-compliances or delayed filings is given as follows:



S. No.	Particulars	<b>Due Date</b>	Delayed	Filing
			days	date
1	DIR-12 (FY 23-24)	30 days from 29- 12-2023	3 days	31-01-2024
2	DIR-12 (FY23-24)	30 days from 29- 12-2023	5 days	02-02-2024

## 33. Business operation and stability depends on many factors, we may not be able to effectively implement our business and growth strategy.

The success of our business inter alia depends on our ability to effectively implement our business and growth strategy. In the past, we have generally been successful in the execution of our business plan but there can be no assurance that we will be able to execute our strategy effectively and within the estimated budget in the future.

Following are factors that can affect our ability to effectively implement our business strategy:

- 1. Intense competition from other listed and unlisted peer companies in the industry, domestic or foreign.
- 2. Changes in consumer preferences or trends, which can impact demand for specific types of content.
- 3. Changes in Industry demand.
- 4. Our ability to attract and retain qualified personnel.
- 5. Our ability to maintain the quality of our services.
- 6. Our ability to maintain tie-ups and collaborations with national and international partners.
- 7. Our ability to successfully implement Marketing strategies.
- 8. Our ability to maintain brand image.
- 9. Our ability to update and adapt new technology.

If we are unable to address these factors, there could be a material adverse effect on our business and results of operations.

## 34. Our Company has issued Equity Shares during the last twelve months at a price which may be lower than the Offer Price.

We have, in the 12 months preceding the filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Offer Price to Promoters and other shareholders. For details of issues, please refer, page 78 of the chapter "Capital Structure".

The details of the allotment made during the preceding 12 months are as follows:

S. No.	Date of Allotment		Face value	Issue Price	Consideration	Type of Allotment
1.	July 05, 2023	79,111	10	127	Cash	Private Placement
2.	August 25, 2023	2,10,362	10	127	Cash	Private Placement
3.	January	1,15,78,946	10	Nil	Other than	Bonus



23, 2024 Cash Issue
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For further details regarding the allotments, please refer to the chapter titled "Capital Structure" on Page 78 of this Draft Red Herring Prospectus.

35. The intellectual Property Rights used by our company are not registered in the name of our company. Any infringement of third-party intellectual property rights or failure to protect our intellectual property rights may adversely affect our business.

Some of the intellectual property rights (IPR) that the company uses are not registered in the name of the company. Our company only have the right to use the intellectual property rights through an agreement and any termination or non-renewal of these agreements could lead to the loss of said IPR, which could result in losses for the company. This poses a risk to our business that we rely on the brand recognition and popularity of such intellectual property for our content production. In case of expiry/ non- renewal/ cancellation/ breach of the agreements and any changes in the terms of the agreements, we may face damages which, could impact the company's business operations or projected revenue.

Further, our company do not get all the titles registered on IMPAA ("Indian Motion Picture Producers' Association"). This could potentially limit our ability to access certain benefits, such as protection of intellectual property rights and eligibility for various industry-related opportunities and incentives. Additionally, non-registration of titles may result in delays or complications in distribution processes and could potentially lead to legal challenges or disputes.

Further, Infringement of third-party intellectual property rights or failure to protect our own intellectual property can have negative consequences. In addition, infringement claims can damage our reputation and discourage potential investors, partners, or customers. Additionally, if we fail to protect our own intellectual property, our competitors or other third parties may copy, steal, or misuse our ideas, products, or services. This can lead to lost revenues, decreased market share, or erosion of our competitive advantage. Moreover, any unauthorized use, reproduction, or distribution of our copyrighted material without our permission will result in legal action and may lead to financial penalties, damage to our brand reputation. It is essential for us to protect our copyrighted material and ensure that it is used only with our permission, to avoid any negative impact on our business operations. Defending our intellectual property rights can be expensive and time-consuming, and we may not be able to prevent others from infringing or challenging our rights.

36. Our marketing and advertising activities may not be successful in increasing the popularity of our Company among audience. If our marketing or advertising initiatives are not effective, this may affect the popularity of our Company.

Our company operates as a content delivery OTT platform. In order to increase our reach to the maximum audience, our marketing and advertising strategies play a vital role. Marketing is a cornerstone for our company to create awareness, attract and retain users, differentiate themselves in a competitive landscape, and ensure their offerings meet the ever-evolving needs of the industry. Effective marketing not only leads to business growth but also contributes to the enhancement of customer satisfaction for our clients.

Our Company undertakes certain marketing and advertising initiatives with the purpose of increasing the visibility of our Company. We rely to a large extent on our management's experience in defining our marketing and advertising activities. If senior management leads us to adopt unsuccessful marketing and advertising activities or initiatives, we may fail to attract and engage new clients. We have entered into a



collaboration agreement with Retailor association of India for advertising our services to the retailors. We practice some marketing strategies as mentioned in the chapter "Our Business" beginning on page no. 167 of this Draft Red Herring Prospectus.

37. Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, we may have to incur additional cost to fund the objects of the Issue because of which our business, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds for the purposes described in chapter titled "Objects of the Issue" on page 98. The funding requirements mentioned as a part of the objects of the Issue have not been appraised by any bank or financial institution. While a monitoring agency will be appointed for monitoring 46inalizatio of the Net Proceeds, the proposed 46inalizatio of the Net Proceeds is based on current conditions and internal management estimates and are subject to changes in the external circumstances or costs, or in other financial condition, business or strategy as discussed further below.

Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimate from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. Further, pending 46inalizatio of Net Proceeds towards the purposes described in the chapter titled "Objects of the Issue", our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1939. Accordingly, prospective investors in the Issue will need to rely on our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for 46inalizatio of the Net Proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the Net Proceeds and our business and financial results may suffer.

38. As of now, our company has not conducted independent Information Technologies Audit (IT Audit) from any certified IT Auditor. Non-adherence of such audit could create threat on our corporate assets and data integrity.

As of now, our company has not conducted independent Information Technologies Audit (IT Audit) from any certified IT Auditor. Currently, our company has no policy of conducting IT audit. However, in order to establish safeguard of assets, maintaining data integrity and allowing 46inalization46d goals to be achieved effectively and using resources efficiently, it is advisable to conduct the audit. It helps to determine whether IT controls protect corporate assets, ensure data integrity and are aligned with the business's overall goals. IT auditors examine not only physical security controls, but also overall business and financial controls that involve information technology systems. Our management is planning to adopt such policy of introducing such types of audit in our company.

However, non-adherence of adoption of such audit and our inability to adopt such measures in future could cause loss of data which would emanate financial as well as business reputation loss.



39. The Copyrights used by the company in the ordinary course of its business are not owned by the company. The company has only right to use such Copyrights.

The Company relies on certain copyrights in the ordinary course of its business operations, which are not owned by the Company itself. Instead, the Company possesses the rights to use these copyrights, which are owned or acquired by the promoter of the company i.e., Mr. Vibhu Agarwal.

Business continuity depends on consistent availability of these copyrights. Any interruption in usage arrangements or in case of dispute/ non- renewal/ cancellation/ breach of the agreements and any changes in the terms of the agreements, could impact the company's business operations. For further details regarding the copyrights, please refer to chapter titled "Our business" on page 167 of the Draft Red Herring Prospectus.

40. Our Company has not identified Micro, Small or Medium Enterprises as Micro, Small and Medium Enterprise Development, Act 2006 for the previous financial years.

Our Company has not identified any Micro, Small or Medium Enterprises (MSME) as per Micro, Small and Medium Enterprise Development Act, 2006 for the previous financial years.

We believe that if we fail to identify any dues outstanding for more than 45 days to any MSME supplier, and fails to file the same in Form MSME -1 to Registrar of Companies (ROC) by the due date, then we may be subject to penal liabilities as per the provisions of the Companies Act, 2013.

Further, if we fails to make payment as required under Section 15 of the MSME Act, then we may be liable to pay compound interest with monthly rests to the MSME supplier on that amount from the appointed date or, as the case may be, from the date immediately following the date agreed upon as notified by the Reserve Bank of India, as defined in the provision of Section 16 and 17 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).

Any such amount payable in accordance with the provisions of the MSME Act, in the form of interest which would also adversely affect our business, financial condition and results of operations. Future any developments in these proceedings may further devote adequate time and attention of our management, if at all, which would also adversely affect our business, financial condition and results of operations.

Further, our Company shall file MSME e-form with Registrar of Companies (ROC) from time to time as and when applicable. Our Company has not received any claim for interest from any supplier as of the balance sheet date. Further, our Company also confirmed that no claim for interest for delay payment is received from MSME supplier as on date.

41. We are required to maintain certain approvals and licenses required in the ordinary course of business and the failure to obtain or renew them in a timely manner or at all may adversely affect our operations.

Our Company's business is subject to various approval and license, and we require certain approvals, licenses, registrations and permissions for operating our business, some of which might have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. In addition, we may not be in compliance with certain conditions prescribed by such approvals or licences. Our failure to obtain such licences and approvals and comply with the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities, including



penalties. For further details, please refer to chapter titled "Government and Other Approvals" on page 321.

Further, renewal applications for approvals, licenses, registrations and permissions for operating our business need to be made within certain timeframes. There have been no fresh applications made for approvals or license as on the date of the Draft Red Herring Prospectus. However, there may be instances in the future where fresh applications for new approvals and licenses will be made by the company and we cannot assure you that the company will receive these approvals in a timely manner or at all. If we are unable to make applications and renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, we may be required to face consequences due to which our business operations may be adversely affected.

## 42. If we are unable to continue to innovate or if we fail to adapt to changes in our industry, our business, financial condition, cash flows and results of operations would be adversely affected.

Our Company's future success will depend on our ability to adapt and innovate to dynamic industry and market aspects. Enhancements and new services that we develop may not be introduced in a timely or cost-effective manner, may contain errors, defects or bugs. We have in the past experienced delays in our internally planned release dates of new solutions and services and there can be no assurance that any of these developments or enhancements will be released according to schedule.

An inability to 48inalizat and incorporate evolving technology for the improvement of our solutions or services, whether due to technology capability or capital constraints could also have a significant adverse impact on our business and competitive advantage. If we are unable to respond in a timely, user-friendly and cost-effective manner to these rapid technological developments, or successfully adopt such advancements and deploy it profitably, our services and solutions may become less marketable and less competitive or obsolete, and our business, results of operations and financial condition may be adversely affected.

## 43. Any variation in the 48inalizatio of Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to 48inaliz the Net Proceeds towards the objects of the Company as mentioned in chapter titled "Objects of the Issue" beginning on page 98. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the 48inalizatio of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed 48inalizatio of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement of our Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed 48inalizatio of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will



have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

## 44. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule.

Our requirements for proposed funds for our expansion plan as described in the section titled "Objects of the Issue" is to be funded from the proceeds of this IPO. Other than this offering, we have not identified any alternate source of funding and any delay or failure to mobilize the required funding or any shortfall in the issue proceeds may delay the implementation schedule. Further, we cannot provide any assurance that we would be able to execute our plans/strategy within the given timeframe. For details, kindly refer to the chapter titled "Object of the Issue" on page 98.

### 45. Certain Agreements, deeds or licenses may be in the previous name of the company.

Our certain agreements, deeds or licenses may be in the name of the erstwhile name of the company Ullu Digital Private Limited. In case we fail to change the name in the agreements, deeds or licenses it may cause adverse effect on Our Company's business & operations.

### 46. Our Company may incur penalties or liabilities for non-compliance with certain provisions of the GST Act, Income Tax and other applicable laws in previous years.

Our Company have incurred penalties or liabilities for non-compliance with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ non-filing of e-forms under applicable acts to it in the past years. Such non-compliances/delay Compliances/ erroneous filing/ Non-Filing/ Non-Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions of the company in near future. The details of late filings in past years are given below:

(days)

GSTIN of the Taxpayer	Financial Year	Return Month	Return Type	<b>Due Date</b>	Filing date	Delayed number	
		CCT	1			of days	
GST							
27AACCU3594J1ZW	2018-2019	Apr-19	GSTR-1	4/11/2019	4/18/2019	7	
27AACCU3594J1ZW	2019-2020	May-19	GSTR-1	5/11/2019	5/22/2019	11	
27AACCU3594J1ZW	2019-2020	Jun-19	GSTR-1	6/11/2019	6/24/2019	13	
27AACCU3594J1ZW	2019-2020	Jul-19	GSTR-1	7/11/2019	7/26/2019	15	
27AACCU3594J1ZW	2019-2020	Aug-19	GSTR-1	8/11/2019	8/20/2019	9	
27AACCU3594J1ZW	2019-2020	Oct-19	GSTR-1	10/11/2019	10/17/2019	6	
27AACCU3594J1ZW	2019-2020	Nov-19	GSTR-1	11/11/2019	11/19/2019	8	
27AACCU3594J1ZW	2019-2020	Dec-19	GSTR-1	12/11/2019	12/20/2019	9	
27AACCU3594J1ZW	2019-2020	Jan-20	GSTR-1	1/11/2020	1/16/2020	5	
27AACCU3594J1ZW	2019-2020	Mar-20	GSTR-1	3/11/2020	3/13/2020	2	
27AACCU3594J1ZW	2019-2020	Apr-20	GSTR-1	4/11/2020	6/20/2020	70	
27AACCU3594J1ZW	2020-2021	May-20	GSTR-1	5/11/2020	7/6/2020	56	
27AACCU3594J1ZW	2020-2021	Jun-20	GSTR-1	6/11/2020	7/24/2020	43	



	T	ı		1	1	
27AACCU3594J1ZW	2020-2021	Jul-20	GSTR-1	7/11/2020	8/26/2020	46
27AACCU3594J1ZW	2020-2021	Aug-20	GSTR-1	8/11/2020	9/29/2020	49
27AACCU3594J1ZW	2020-2021	Sep-20	GSTR-1	9/11/2020	9/30/2020	19
27AACCU3594J1ZW	2020-2021	Oct-20	GSTR-1	10/11/2020	10/12/2020	1
27AACCU3594J1ZW	2020-2021	Nov-20	GSTR-1	11/11/2020	11/20/2020	9
27AACCU3594J1ZW	2020-2021	Dec-20	GSTR-1	12/11/2020	12/14/2020	3
27AACCU3594J1ZW	2020-2021	Apr-21	GSTR-1	4/11/2021	4/20/2021	9
27AACCU3594J1ZW	2021-2022	May-21	GSTR-1	5/11/2021	5/27/2021	16
27AACCU3594J1ZW	2021-2022	Jun-21	GSTR-1	6/11/2021	6/21/2021	10
27AACCU3594J1ZW	2021-2022	Feb-22	GSTR-1	2/11/2022	2/16/2022	5
27AACCU3594J1ZW	2021-2022	Apr-22	GSTR-1	4/11/2022	4/14/2022	3
27AACCU3594J1ZW	2022-2023	Jun-22	GSTR-1	6/11/2022	6/15/2022	4
27AACCU3594J1ZW	2022-2023	Jul-22	GSTR-1	7/11/2022	7/13/2022	2
27AACCU3594J1ZW	2022-2023	Jan-23	GSTR-1	1/11/2023	1/14/2023	3
27AACCU3594J1ZW	2022-2023	Feb-23	GSTR-1	2/11/2023	2/16/2023	5
27AACCU3594J1ZW	2022-2023	Mar-23	GSTR-1	3/11/2023	3/20/2023	9
27AACCU3594J1ZW	2022-2023	Apr-23	GSTR-1	4/11/2023	4/19/2023	8
27AACCU3594J1ZW	2023-2024	May-23	GSTR-1	5/11/2023	5/17/2023	6
27AACCU3594J1ZW	2023-2024	Jun-23	GSTR-1	6/11/2023	6/21/2023	10
27AACCU3594J1ZW	2023-2024	Jul-23	GSTR-1	7/11/2023	7/16/2023	5
27AACCU3594J1ZW	2023-2024	Aug-23	GSTR-1	8/11/2023	8/16/2023	5
27AACCU3594J1ZW	2023-2024	Sep-23	GSTR-1	9/11/2023	9/20/2023	9
27AACCU3594J1ZW	2023-2024	Oct-23	GSTR-1	10/11/2023	11/7/2023	27
27AACCU3594J1ZW	2023-2024	Nov-23	GSTR-1	11/11/2023	11/25/2023	14
27AACCU3594J1ZW	2023-2024	Dec-23	GSTR-1	12/11/2023	12/20/2023	9
27AACCU3594J1ZW	2023-2024	Jan-24	GSTR-1	1/11/2024	1/20/2024	9
27AACCU3594J1ZW	2019-2020	May-19	GSTR3B	5/20/2019	5/22/2019	2
27AACCU3594J1ZW	2019-2020	Jun-19	GSTR3B	6/20/2019	6/24/2019	4
27AACCU3594J1ZW	2019-2020	Apr-20	GSTR3B	4/20/2020	6/20/2020	61
27AACCU3594J1ZW	2020-2021	May-20	GSTR3B	5/20/2020	7/6/2020	47
27AACCU3594J1ZW	2020-2021	Jun-20	GSTR3B	6/20/2020	7/24/2020	34
27AACCU3594J1ZW	2020-2021	Jul-20	GSTR3B	7/20/2020	8/26/2020	37
27AACCU3594J1ZW	2020-2021	Aug-20	GSTR3B	8/20/2020	9/29/2020	40
27AACCU3594J1ZW	2020-2021	Sep-20	GSTR3B	9/20/2020	9/30/2020	10
27AACCU3594J1ZW	2020-2021	Oct-20	GSTR3B	10/20/2020	11/4/2020	15
27AACCU3594J1ZW	2020-2021	Nov-20	GSTR3B	11/20/2020	11/27/2020	7
27AACCU3594J1ZW	2020-2021	Dec-20	GSTR3B	12/20/2020	12/22/2020	2
27AACCU3594J1ZW	2020-2021	Jan-21	GSTR3B	1/20/2021	1/30/2021	10
27AACCU3594J1ZW	2020-2021	Apr-21	GSTR3B	4/20/2021	5/26/2021	36
27AACCU3594J1ZW	2021-2022	May-21	GSTR3B	5/20/2021	6/14/2021	25
27AACCU3594J1ZW	2021-2022	Jun-21	GSTR3B	6/20/2021	7/5/2021	15
27AACCU3594J1ZW	2021-2022	Jul-21	GSTR3B	7/20/2021	7/27/2021	7
27AACCU3594J1ZW	2021-2022	Apr-22	GSTR3B	4/20/2022	4/29/2022	9
	1		<u> </u>	<u> </u>	1	1



27AACCU3594J1ZW	2022-2023	May-22	GSTR3B	5/20/2022	5/24/2022	4			
27AACCU3594J1ZW	2022-2023	Sep-22	GSTR3B	9/20/2022	9/23/2022	3			
27AACCU3594J1ZW	2022-2023	Oct-22	GSTR3B	10/20/2022	10/21/2022	1			
27AACCU3594J1ZW	2022-2023	Nov-22	GSTR3B	11/20/2022	11/22/2022	2			
27AACCU3594J1ZW	2022-2023	Dec-22	GSTR3B	12/20/2022	12/22/2022	2			
27AACCU3594J1ZW	2022-2023	Mar-23	GSTR3B	3/20/2023	3/21/2023	1			
27AACCU3594J1ZW	2022-2023	Apr-23	GSTR3B	4/20/2023	4/24/2023	4			
27AACCU3594J1ZW	2023-2024	May-23	GSTR3B	5/20/2023	5/23/2023	3			
27AACCU3594J1ZW	2023-2024	Jun-23	GSTR3B	6/20/2023	6/21/2023	1			
27AACCU3594J1ZW	2023-2024	Jul-23	GSTR3B	7/20/2023	7/21/2023	1			
27AACCU3594J1ZW	2023-2024	Aug-23	GSTR3B	8/20/2023	8/21/2023	1			
27AACCU3594J1ZW	2023-2024	Sep-23	GSTR3B	9/20/2023	9/21/2023	1			
27AACCU3594J1ZW	2023-2024	Oct-23	GSTR3B	10/20/2023	11/14/2023	25			
27AACCU3594J1ZW	2023-2024	Nov-23	GSTR3B	11/20/2023	11/27/2023	7			
27AACCU3594J1ZW	2023-2024	Jan-24	GSTR3B	1/20/2024	1/23/2024	3			
	EPF								
	2023	May-23	-	5/15/2023	8/11/2023	88			
	2023	Jun-23	-	6/15/2023	8/11/2023	57			
	2023	Jul-23	-	7/15/2023	8/14/2023	30			
	2023	Aug-23	-	8/15/2023	8/14/2023	0			
EPF	2023	Sep-23	-	9/15/2023	9/15/2023	0			
	2023	Oct-23	-	10/15/2023	10/16/2023	1			
	2023	Nov-23	-	11/15/2023	11/14/2023	0			
	2023	Dec-23	-	12/15/2023	12/15/2023	0			
	2024	Jan-24	-	1/15/2024	1/19/2024	4			

## 47. Our insurance policy may not be adequate to cover all the losses which a business could incur. Any inability to maintain adequate cover from material adverse incidents may adversely affect our operation and profitability.

We have obtained a number of insurance policies in connection with our operations as given in chapter titled "Our Business" on page 167. While we are of the opinion that the insurance coverage which our Company maintains would be reasonably adequate to cover the normal risks associated with the operations of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our Company's insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.



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

Our restated summary statements of assets and liabilities, restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Financial Year 2023, 2022, and 2021 have been prepared in accordance with the Ind AS (Indian Accounting Standards)

We have not attempted to quantify the impact of Indian GAAP, US GAAP, IFRS or any other system of accounting principles on the financial data included in the Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP, Indian GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Financial Information included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited.

49. We have not made any alternate arrangements in order to meet our capital requirements for the Objects of the Issue. Additionally, we have not identified any alternate source of financing the 'Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, our Company has not made any alternate arrangements for meeting the capital requirements for the Objects of the Issue. We are a debt free company and we meet our capital requirements through our internal accruals. Any shortfall in the same and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "Objects of the Issue" on page 98 of this Draft Red Herring Prospectus.

50. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.

Our Company is involved in business transactions with international clients located globally and has to conduct the transactions in accordance with the rules and regulations prescribed under FEMA. Our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows.

51. Fluctuation of Interest rate may adversely affect the Company's business.

For meeting capital requirement in ordinary course of our business for general capital purpose, we have or may enter into certain borrowing agreements to meet those requirements. In the event interest rates increase, the cost of borrowing will also be increased, and which will have the adversely effect on cash flow and profitability.



As on September 30, 2023, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs 76.64 lakhs and Unsecured Loan aggregating to Rs. 163.35 lakhs, as per the certificate issued by M/s Jain V. & co., Chartered Accountants, dated February 07, 2024.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions on a consolidated basis as of September 30, 2023:

#### **SECURED LOAN:**

(Rs. In Lakhs)

Name of persons/companies	Loan Amounts	Rate of Interest	Nature of Tenure	Outstanding as on September 30, 2023
HDFC Bank	18.45	8.5%	Long term	15.08
HDFC Bank	19.95	7.8%	Long term	6.47
HDFC Bank	100.00	8.3%	Long term	55.09

### **UNSECURED LOAN:**

(Rs. In Lakhs)

Name of persons/companies	Loan Amounts	Rate of Interest	Nature of Tenure	Outstanding as on September 30, 2023
HDFC Bank	50.00	10.25%	Short Term	31.75
Vibhu Agarwal	123.60	0.00	Long term	123.6
Shashi Rani Agarwal	8.00	0.00	Long term	8

For Further Information, please refer to the chapter titled "Financial Indebtedness" on page 311 of this Draft Red Herring Prospectus.

## 52. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and declaration of dividend will depend upon financial performance of our Company at the time of declaration. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements (if any) in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past and there can be no assurance that our Company will declare dividends in the future. For further details, please refer to the chapter titled "Dividend Policy" on pages 251 of this Draft Red Herring Prospectus.

# 53. This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, CARE Analytics and Advisory Private Limited, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.

The industry and market information contained in this Draft Red Herring Prospectus includes information derived from an industry report prepared by CARE Analytics and Advisory Private Limited (the "CARE Report") titled "Report on Digital Media Industry" and dated December 2023. The CARE Report has been commissioned and paid for by us for the purpose of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CARE in connection with



the preparation of the CARE Report pursuant to an engagement letter dated December 13, 2023. The CARE Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. Given the scope and extent of the CARE Report, disclosures herein are limited to certain excerpts and the CARE Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. Neither our Company, the BRLMs are related to CARE. For details, see "Our industry" on page 137 of this Draft Red Herring Prospectus.

Industry sources and publications are also prepared based on information as of specific dates. Industry sources and publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

54. Our Company's future funding requirements, in the form of further issue of capital or other securities and/or loans that might be availed by us, may turn out to be prejudicial to the interest of the shareholders depending upon the terms and conditions on which they are raised.

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

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#### RISK RELATED TO THE ISSUE

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

Following the Issue, we will be subject to a daily circuit breaker imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

56. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- 1. Volatility in the Indian and global capital market;
- 2. Company's results of operations and financial performance;
- 3. Performance of Company's competitors,
- 4. Adverse media reports on Company or pertaining to our Industry;
- 5. Changes in our estimates of performance or recommendations by financial analysts; and
- 6. Significant developments in India's economic and fiscal policies;

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

57. Equity Shares of our Company have never been publicly traded, and after the Issue, the Equity Shares may be subject to price and volume fluctuations, and an active trading market for the Equity Shares may or may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.

Prior to this Issue of our Company, no public market existed for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation of Equity Shares does not guarantee that a market for the same will develop, or if developed, the liquidity of such market for the Equity Shares cannot be guaranteed. The Issue Price of the Equity Shares is proposed to be determined through a book building process in compliance with Schedule XIII of the SEBI ICDR and the same may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Issue Price will be based on numerous factors, as described in the section "Basis for Issue Price" beginning on page 126. This price may not necessarily be indicative of the market price of our Equity Shares after the Issue is completed. The market



price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in.

Our Equity Shares are likely to trade on BSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops, that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

### 58. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under the present Indian tax laws and regulations, unless specifically exempted, capital gains that arise from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain 56 inaliza on the sale of listed equity shares held for more than 12 months, which are sold using any other platform other than on a 56inalizati stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains 56inaliza on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares,



including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

## 60. Sale of Equity Shares by our Promoters or other significant shareholder(s) or any future issue of Equity Shares may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, or any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

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

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.



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

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

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#### EXTERNAL RISK FACTORS

64. The outbreak and after-effects of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, cash flows and results of operations.

The outbreak, of any severe communicable disease, as seen in the recent outbreak and aftermath of COVID-19, could materially and adversely affect business sentiment and environment across industries. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and lockdowns. These measures have impacted and may further impact our workforce and operations and also the operations of our clients. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

During the lockdown period in response to the COVID-19 pandemic, our Company had certain interim measures in place to ensure business and operational continuity. Our employees worked remotely. However, certain of our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

65. The Terrorist attacks, communal disturbances and regional conflicts in South Asia may have a material adverse effect on our business and on the market for securities in India.

Terrorist attacks, whether in India or another country may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Some parts of India have experienced communal disturbances and riots during recent years. If such events recur, our business and financial condition may be adversely affected.

South Asia has, from time to time, experienced instances of civil unrest. Military activity or terrorist attacks in the future could adversely affect the Indian economy, and the financial condition and results of operations of Indian companies, including us, which would have an adverse effect on the trading price of our Equity Shares.

66. Under Indian legal regime, foreign investors are subject to investment restrictions that limit our Company's ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.

As a company incorporated in India, we are subject to exchange controls that govern the borrowings in foreign currencies. Further, under applicable foreign exchange regulations in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified under applicable laws. If share transfer is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain



financings on competitive terms and refinance existing indebtedness.

### 67. The requirements of being a listed company may strain our resources.

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated by the virtue of being a listed company. As a listed company, we will incur considerable legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing compliances and reporting requirements to the Stock Exchanges on which equity shares of our Company will be listed, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

## 68. Any adverse change or downgrading in ratings of India may adversely affect our business, results of operations and cash flows.

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

## 69. Investors outside India subscribing to this Issue may not be able to enforce any judgment of a foreign court against us, except by way of a suit in India.

Our Company is a limited liability company incorporated under the laws of India. Our Company's assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against our Company or such parties outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("Civil Procedure Code"). The United States has not been notified as a reciprocating territory.

In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law. Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.



## 70. Changing laws, rules and regulations and legal uncertainties in India and other countries may adversely affect our business and financial performance.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

## 71. Regulatory, economic, political scenarios or other factors that are beyond our control may have an adverse effect on our business and financial performance.

Our economy and its securities markets are influenced by economic developments, any adverse economic developments or rising of fiscal or trade deficit may also affect investor confidence and cause increased volatility in securities markets and indirectly affect our economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, and results of operations. Further financial disruption could also have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares

Also, a change in the government or change in deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business and high rates of inflation could increase our costs without proportionately increasing our revenues.

### 72. Financial instability in other countries may cause increased volatility in Indian and other financial markets.

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 United States 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 an adverse effect 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 market and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy.

Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This



includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

## 73. Natural disasters, epidemics, pandemics, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our facilities. Such closures may disrupt our business operations and adversely affect our results of operations. Our operation could also be disrupted if our clients are affected by such natural disasters or epidemics. An outbreak or epidemic, such as SARS, the H1N1 and H5N1 viruses or COVID-19 could cause general consumption or the demand for various products to decline, which could result in reduced demand for our services. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

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### **SECTION IV- INTRODUCTION**

### THE ISSUE

Particulars	Details of Number of Shares
Issue of Equity Shares by our Company	62,62,800 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
Reserved for Market Makers	3,15,600 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
Net Issue to the Public	59,47,200 Equity Shares of face value of Rs.10/- each fully paid-upfor cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
Of which:	
A. QIB portion **	Not more than [●] Equity Shares
Of which	
(a) Anchor Investor Portion	Upto [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
B. Non – institutional portion **	Not Less than [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
C. Retail portion **	Not Less than [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
Pre-and Post-Issue Equity Shares:	
Equity Shares outstanding prior to the Issue	1,73,68,419 Equity Shares of Rs.10/- each
Equity Shares outstanding after the Issue	2,36,31,219 Equity Shares of Rs.10/- each
Use of Proceeds	Please see the chapter titled "Objects of the issue" on page 98 of this Draft Red Herring Prospectus for information about the use of Net Proceeds.

<sup>\*\*</sup>As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a Book Building issue the allocation is the net offer to the public category shall be made as follows:



- a) Not less than Thirty five percent to retail individual investor;
- b) Not less than Fifteen percent to non-institutional investor
- c) Not more than fifty percent to qualified institutional buyers, five percent of which shall be allocated to mutual funds.

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Provided further that in addition to five percent allocation available in terms of clause I, mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 346.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law.

#### Notes

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The issue is being made by our company in terms of Regulation 229 (2) of SEBI (ICDR) Regulation, read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issued paid-up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on February 07, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on February 08, 2024, This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to the section titled "Issue Structure" beginning on page no. 382 of this Draft Red Herring Prospectus.

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### SUMMARY OF OUR FINANCIAL INFORMATION

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amt in Lakh)

					(Ami in Lukn)	
Particulars	Note	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	3	119.51	135.77	119.47	171.35	
(b) Financial Assets						
(i) Others	4	93.87	88.48	51.92	32.75	
(c) Deferred tax assets (Net)	5	18.35	16.96	11.75	5.14	
Current Assets						
(a) Inventories	6	4,524.03	4,968.41	3,071.26	1,682.59	
(b) Financial Assets						
(i) Trade Receivable	7	385.11	455.89	187.94	103.01	
(ii) Cash and cash equivalents	8	338.46	67.66	26.62	195.84	
(iii) Bank balances other than Cash and	9	432.71	873.71	934.77	192.98	
cash equivalents						
(iv) Loans	10	-	0.95	-	3.26	
(v) Others	11	22.97	27.15	18.79	63.74	
(c) Other Current assets	12	1,750.98	521.07	290.01	440.33	
Total Assets		7,686.00	7,156.05	4,712.54	2,890.97	
EQUITY AND LIABILITIES		-	-	-	-	
EQUITY		-	-	-		
(a) Equity Share Capital	13	578.95	550.00	10.00	10.00	
(b) Other Equity	14	3,092.38	1,525.90	556.33	160.02	
LIABILITIES						
Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	15	160.48	177.13	77.32	89.87	
(b) Provisions	16	31.81	16.16	4.80	4.74	
(c) Deferred tax liabilities (Net)						
Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	17	67.12	64.86	197.07	108.19	
(ii) Trade payable	18					
- total outstanding dues of micro, small and		-	154.61	414.36	1,099.77	
medium enterprises		1.011.01	0.115.00	1.002.72	25 : -	
- total outstanding dues of other creditors	4 ~	1,811.01	2,146.92	1,902.53	376.47	
(b) Other current Liabilities	19	911.94	1,900.67	1,381.73	983.88	
(c) Provisions	20	1,032.31	619.79	168.40	58.02	
Total Equity and Liabilities		7,686.00	7,156.05	4,712.54	2,890.97	

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### RESTATED STATEMENT OF PROFIT AND LOSS

(Amt in Lakh)

						(Amt in Lakh)
	Particulars		Half year	Year ended	Year ended	Year ended
	Particulars	Note	ended Sept	March 31,	March 31,	March 31,
			30, 2023	2023	2022	2021
I	Revenue from operations	21	5,833.61	9,314.55	4,682.68	2,756.73
II	Other Income	22	26.21	55.31	17.71	6.62
III	Total Income (I+II)		5,859.82	9,369.86	4,700.39	2,763.36
IV	EXPENSES					
'	Purchase		2,344.09	3,139.79	2,657.06	2,294.98
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(109.67)	(518.13)	(1,142.17)	(884.59)
	Purchase Merchandise		-	13.83	32.77	=
	Cost of Production / Acquisition and Webcast Fees	24	332.83	956.63	374.05	322.38
	Employee Benefit Expenses	25	621.87	842.05	400.06	261.87
	Finance Costs	26	12.08	22.51	41.57	74.57
	Depreciation and Amortization Expenses	3	40.49	80.97	77.34	74.03
	Other Expenses	27	979.20	2,707.33	1,705.25	443.27
	Total Expenses (IV)		4,220.89	7,244.98	4,145.91	2,586.50
	<b>F</b> 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		-	-	-	-
V	Profit/(Loss) before exceptional items and taxes		1,638.93	2,124.88	554.48	176.86
VI	Exceptional Items		-	-	-	-
VII	Profit before Tax (V - VI)		1,638.93	2,124.88	554.48	176.86
VIII	Tax expense:					
	(1) Current tax		412.52	619.03	168.21	57.98
	(2) Deferred tax		(1.39)	(5.21)	(6.62)	(6.83)
IX	Profit for the period from continuing operations (VII - VIII)		1,227.80	1,511.06	392.89	125.71
X	Profit from discontinuing operations		-	-	-	-
XI	Profit for the year		1,227.80	1,511.06	392.89	125.71
XII	Other Comprehensive Income					
	Items that will not be reclassified to profit & loss Account					
	Remeasurements of the present value of defined benefit obligation		-	(1.50)	3.42	-
XIII	Total Comprehensive Income for the period comprising profit and Loss and other Comprehensive income		1,227.80	1,509.57	396.31	125.71
XIIV	Earning per equity share:	28				
	(1) Basic	20	22.00	27.47	392.89	125.71
<del></del>	(2) Diluted		22.00	27.47	392.89	125.71



### ANNEXURE – III

### RESTATED STATEMENT OF CASH FLOW

(Amt in Lakh)

				(Amt	in Lakh)
	Particulars	Half year ended September 30,	Year ended March 31,	Year ended March 31,	Year ended March 31,
		2023	2023	2022	2021
<b>A</b>	Cook flow from anausting activities				
Α.	Cash flow from operating activities  Net profit before tax	1,638.93	2,124.88	554.48	176.86
	Net profit before tax	1,036.93	2,124.00	334.46	170.80
	Adjustments for:				
	Finance Cost	11.82	21.47	41.13	73.93
	Depreciation & Amortisation	40.49	79.47	80.75	74.03
	Net Impact Ind AS Adjustments directly routed				
	through Other Equity	-	-	-	-
		1,691.23	2,225.83	676.36	324.82
	Adjustments for (increase) / decrease in operating assets:				
	Decrease/(Increase) in Trade and Other Receivables	70.78	(267.95)	(84.93)	40.34
	Decrease/(Increase) in Inventories	444.38	(1,897.14)	(1,388.67)	(1,136.33)
	Decrease/(Increase) in Other financial Assets	0.95	(0.95)	3.26	2.46
	Decrease/(Increase) in Other current and Non assets	71.24	(18.80)	238.68	(329.47)
	Increase/(Decrease) in Other Current Liabilities and Non-Current Liabilities	(973.08)	530.87	398.06	248.29
	Increase/(Decrease) in Trade and Other Payables	(490.53)	(15.35)	840.65	1,249.87
	Cash generated from operations	814.97	556.51	683.40	399.98
	Net income tax (paid) / refunds	(1,296.97)	(388.83)	(101.39)	(13.85)
	Net Cash flow from Operating activities (A)	(481.99)	167.68	582.01	386.13
В.	Cash flow from investing activities				
	Purchase of Fixed Assets	(24.22)	(97.28)	(25.46)	(95.90)
	Security Deposit Given	(5.40)	(36.56)	(19.17)	(29.75)
	Net Cash flow from Investing activities (B)	(29.62)	(133.83)	(44.63)	(125.65)
	(-)	(=>10=)	(100100)	(11102)	()
C.	Cash Flow from Financing Activities				
	Proceeds from Long term Borrowings	(16.65)	99.82	(12.56)	1.41
	Proceeds from Short term Borrowings	2.26	(132.21)	88.88	96.66
	Finance Cost	(11.82)	(21.47)	(41.13)	(73.93)
	Proceeds from Issue of Equity Shares	367.63	-	-	-
	Net Cash Flow from Financing Activities (C)	341.42	(53.87)	35.20	24.13
	Net Changes in Cash & Cash Equivalents (A+B+C)	(170.19)	(99.82)	572.58	284.61
	Add: Cash & Cash Equivalents - Opening Balance [See note (a) below]	941.37	961.39	388.81	104.21
	Cash & Cash Equivalents - Closing Balance [See note (a) below]	771.18	871.02	961.39	388.81



### **GENERAL INFORMATION**

### **Brief Information on Company and Issue**

Registered Office	901, Kanchanjunga Building18, Barakhamba Road, Janpath, Central Delhi,						
	Delhi-110001, India;						
	Tel.: 05224107574; Fax: N.A.						
	E-mail: compliance@ullu.app						
	Website: www.ullu.ltd						
Date of Incorporation	January 02, 2019						
CIN	U92100DL2019PLC343697						
Company Category	Company Limited by Shares						
	Registrar of Companies, Delhi						
	e, New Delhi-110019						
Registrar of Company							
	Email: roc.delhi@mca.gov.in						
	Website: www.mca.gov.in						
Company	Ms. Sheriya Jain						
Secretary and	901, Kanchanjunga Building18, Barakhamba Road, Janpath, Central Delhi,						
Compliance	Delhi-110001 India.						
Officer	Tel: 05224107574; Fax: N.A.						
00 4 6 <del>-</del> 1	Email: compliance@ullu.app						
	Chief Financial Mr. Rajesh Agarwal						
Officer	901, Kanchanjunga Building18, Barakhamba Road, Janpath, Central Delhi,						
	Delhi-110001 India.						
	Tel: 05224107574; Fax: N.A. Email: compliance@ullu.app						
Designated	SME Platform of BSE Limited						
Stock	Address: 25 <sup>th</sup> floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001.						
Exchange	Website: https://www.bsesme.com						
Bid/ Issue Programme	Bid/Issue Opens [●] Bid/Issue Closes [●]						
	On:	F . 1	On:	F . J			

**Note:** Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.



# DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Book Running Lead Manager to the Issue	Registrar to the Issue
Narnolia®	Skyline Financial Services Pvt. Ltd.
Narnolia Financial Services Limited	Skyline Financial Services Private Limited
Address: 201, 2 <sup>nd</sup> Floor, Marble Arch, 236 B A.J.C	Address: D-153 A, 1st Floor, Okhla Industrial Area,
Bose Road, Kolkata, West Bengal- 700020, India	Phase – I, New Delhi-110020
Tel No.: +91- 8130678743	Tel No: +91-11-40450193-97
Fax No.: Not Available	Fax No: +91-11-26812683
Email: pankaj.passi@narnolia.com	Email: compliances@skylinerta.com
Website: www.narnolia.com	Website: www.skylinerta.com
Contact Person: Mr. Pankaj Pasi	Contact Person: Mr. Pawan Bisht
SEBI Registration No. INM000010791	SEBI Registration No.: INR000003241

Banker to the company	Banker to the company
HDFC BANK	YES BANK
HDFC Bank Limited	Yes Bank Limited
Address: 102-25A, Old No. 8, Hewett Road – Shivaji	Address: G1, Ground Floor, Valecha Chamber Plot
Nagar, Lucknow-226001, Uttar Pradesh	B6, New Link Road, Andheri (West) Mumbai
	400053
Tele. No.: +91 9336881400	Tele. No.: +91 9920280683
Fax No.: NA	Fax No.: NA
E-mail: abhinav.chandra@hdfc.com	E-mail: gopal.agarwal1@yesbank.in
Website: www.hdfcbank.com	Website: www.yesbank.in
Contact Person: Mr. Abhinav Chandra	Contact Person: Mr. Gopal Agarwal

Statutory Auditor	Peer Review Auditor
SAMPRK & Associates, Chartered Accountants	M/s Jain V. & Co. Chartered Accountants
Address: 102-03/106/302, Neelkanth House, 1st &	Address: 11, 3 <sup>rd</sup> Floor, Lalmani Building, Dr. A M
3 <sup>rd</sup> floor, S-524, School Block-II, Shakarpur, Delhi-	Road, Bhuleshwar, Mumbai – 400002
110092	
Tel No: 01143065974	Tel No.: 022-49775100
Email Id: samprkpankaj@gmail.com	Email Id: viren@virenjain.com
Contact Person: Pankaj Sharma	Contact Person: Virendra Jain
Firm Registration No.: 013022N	Firm Registration No.: 116306W
	Peer Review No.: 013691

Market Maker	Banker to the Issue & Sponsor bank		
[•]	[•]		



### **Legal Advisor**



## M/s A. K. Singh & Associates

Address: Nicco House, 6th floor, 2, Hare Street,

Kolkata 700001

Tel No.: 9830202752

Email Id: anuj.advocate@gmail.com

Contact Person: Mr. Anuj Singh, Advocate Enrollment no.: Mr. Ashok Kumar Singh, Adv. (Partner of M/s. A. K. Singh & Associates) –

WB/662/1992

### DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

S. N.	Name	DIN	Category	Designation
1.	Vibhu Agarwal	01332187	Executive	Managing Director
2.	Megha Agarwal	01726545	Executive	Whole-Time Director
3.	Shobhit Singh Chauhan	10297594	Executive	Whole-Time Director
4.	Vivek Sangal	07183195	Non-Executive	Director
5.	Sunil Agarwal	10068195	Non-Executive	Independent Director
6.	Bhavika Yash Ghuntla	10084723	Non-Executive	Independent Director

For further details of our directors, please refer to the chapter titled "Our Management" beginning on page 218 of this Draft Red Herring prospectus.

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer, Skyline Financial Services Private Limited and/or the BRLM, i.e., Narnolia Financial Services Limited, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.

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

### SELF-CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link.



https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

### REGISTERED BROKERS

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (<a href="www.sebi.gov.in">www.sebi.gov.in</a>) and updated from time to time. For details on Registered Brokers, please refer <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>.

#### REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>, as updated from time to time.

### COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (<a href="www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time.

# STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Narnolia Financial Services Limited is the sole Book Running Lead Manager (BRLM) to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them.

### CREDIT RATING

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

### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

### **EXPERT OPINION**

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

Our Company has received written consent dated, 29/12/2023 and 08/02/2024 from Peer Review Auditor namely, M/s Jain V. & Co., Chartered Accountants (FRN: 116306W) and legal advisor namely, Advocate



M/s A. K. Singh & Associates respectively, to include their name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act 2013.

We have also taken an Industry report from CARE Analytics and Advisory Private Limited ("CareEdge Report") or ("CARE Report") on "Report on Digital Media Industry" by their consent dated February 09, 2024 to use their name in the Draft Red Herring Prospectus.

The report of the peer review auditor on Statement of Tax Benefits and report on Restated Financials, for the period ended September 2023, and for the financial years ended March 31, 2023, 2022 & 2021 as included in this Draft Red Herring Prospectus.

Further, Advocate M/s A. K. Singh & Associates has given his legal due diligence report, as included in this Draft Red Herring Prospectus, in relation to the Outstanding Litigations and Material Developments dated February 07, 2024.

Aforementioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term – expert shall not be construed to mean an – expert as defined under the U.S. Securities Act.

All the intermediaries, including Merchant Banker has relied upon the appropriacy and authenticity of the same.

#### **DEBENTURE TRUSTEEs**

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

### APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the size of the Offer exceeds ₹ 10,000 Lakhs, our Company will appoint a Monitoring Agency registered with SEBI in compliance with the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus. For details, see "Objects of the issue" on page 98 of this Draft Red Herring Prospectus.

### **BOOK BUILDING PROCESS**

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and will be advertised in [•] editions of the English national newspaper, [•] editions of the Hindi national newspaper, and [•] editions in Regional newspaper where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The Offer Price shall be finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail



Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

Each Bidder by submitting a Bid in Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled "Issue Structure" and "Issue Procedure" beginning on pages 382 and 346, respectively of this Draft Red Herring Prospectus.

### ILLUSTARTION OF BOOK BUILDING PROCESS AND THE PRICE DISCOVERY PROCESS

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled "Offer Procedure" on page 287 of this Draft Red Herring Prospectus.

### UNDERWRITING AGREEMENT

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters 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:

Name, Address, Telephone, Fax, and Email	Indicative No.	Amount	% of the Total
of the Underwriter	of Equity	Underwritten	Issue Size
	Shares to Be	(Rs. In Lakh)	Underwritten
	Underwritten		
[•]	[•]	[•]	[•]
Address: [●]			
Telephone: [●]			
Email: [•]			
Website: [●]			
Contact Person: Mr. [●]			
SEBI Registration No. [●]			



In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

### FILING OF PROSPECTUS

A soft copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI through SEBI Intermediary Portalat <a href="https://siportal.sebi.gov">https://siportal.sebi.gov</a>. in as per Regulation 246(1) of SEBI (ICDR) Regulations. Pursuant to Regulation 246(2) of SEBI ICDR Regulations, the SEBI shall not issue any observation on the offer document. A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Companies, Delhi, 4<sup>th</sup> Floor, IFCI Tower,61, Nehru Place, New Delhi-110019.

## CHANGE IN THE AUDITOR DURING LAST 3 YEAR

The following changes have taken place in the Auditors during the last three years preceding the date of this Draft Red Herring Prospectus:

Name of the Auditor	Date of Appointment	Date of Resignation	Reason for Change
Sodhi Singhal & Jain, Chartered Accountants FRN: 012873C Address: Flat No 2,, Harihar Apartmants, 40, Kaiserbagh, Lucknow, Uttar Pradesh-226010	07-09-2019	15-11-2020	Due to Pre-Occupancy
Samprk & Associates, Chartered Accountants FRN: 013022N Address: 102-03/106/302, Neelkanth House, 1st & 3rd floor, S-524, School Block-II, Shakarpur, Delhi- 110092	20-11-2020	N.A.	Appointed due to casual vacancy.
Samprk & Associates, Chartered Accountants FRN: 013022N Address: 102-03/106/302, Neelkanth House, 1 <sup>st</sup> & 3 <sup>rd</sup> floor, S-524, School Block-II, Shakarpur, Delhi- 110092	31-12-2020	N.A.	Re-Appointment



### WITHDRAWAL OF THE ISSUE

Our company in consultation with the BRLM, reserves 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 BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME 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 BSE SME, 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 Red Herring Prospectus.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the BRLM have entered into a tripartite agreement dated [●] with [●] the Market Maker for this Issue, duly registered with BSE SME to fulfill the obligations of Market Making:

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1. 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. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time.
- 3. 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 offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 6. On the first day of the listing, there will be pre-opening session (call auction) and thereafter 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.
- 7. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 8. 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 Market Maker(s) shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

- 9. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 10. **Punitive Action in case of default by Market Maker:** SME Platform of BSE 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 Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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 Makers from time to time.

Price Band and Spreads: Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers 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)
Up to Rs. 20 Crore	25%	24%
Rs.20 Crore to Rs.50 Crore	20%	19%
Rs.50 Crore to Rs.80 Crore	15%	14%
Above Rs.80 Crore	12%	11%

The Marketing 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/BSE from time to time.



The trading shall take place in the TFT segment for the 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.



## **CAPITAL STRUCTURE**

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

		-	Amount (Rs. In Lakhs)			
Sr.	Particulars	Aggregate	Aggregate value at			
No.		Nominal value	offer price			
A.	Authorized Share Capital					
	2,50,00,000 Equity Shares of Rs.10/- each	2,500.00	-			
B.	Issued, Subscribed and Paid-Up Share Capital before					
	the Issue					
	1,73,68,419 Equity Shares of Rs.10/- each	1736.85	-			
	Present Issue in terms of the Draft Red Herring					
	Prospectus*					
	Issue of 62,62,800 Equity Shares of face value of Rs.10/-	626.28	[•]			
	each at a premium of Rs. [●] per share					
	Consisting of:					
	Fresh issue of 62,62,800 Equity Shares of face value of	626.28	[•]			
	Rs.10/- each at a premium of Rs. [●] per share					
	of which:**					
(I)	Reservation for Market Maker- Equity Shares of Rs.10/-	31.56	[•]			
( )	each at a price of Rs. 3,15,600 per Equity Share reserved					
	as Market Maker Portion.					
(II)	Net Issue to the Public – 59,47,200 Equity Shares of	594.72	[•]			
` /	Rs.10/- each at a price of Rs. [•] per Equity Share.					
C.	Of the Net Issue to the Public					
(I)	<b>Allocation to Qualified Institutional Buyer</b> – [●] Equity	[•]	[•]			
. ,	Shares of Rs.10/- each at a price of Rs. [•] per Equity					
	Share.					
(II)	Allocation to Retail Individual Investors – [●] Equity	[•]	[•]			
	Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share	2 2				
	shall be available for allocation for Investors applying for					
	a value of up to Rs.2.00 Lakhs.					
(III)	Allocation to Other than Retail Individual Investors –					
	[•] Equity Shares of Rs.10/- each at a price of Rs. [•] per					
	Equity Share shall be available for allocation for Investors					
	applying for a value of above Rs.2.00 Lakhs.					
D.	Issued, Subscribed and Paid-up Share Capital after the					
	Issue					
	2,36,31,219 Equity Shares of Rs. 10/- each	230	63.12			
E.	Securities Premium Account					
	Before the Issue	338.68				
	After the Issue***	[•]				

<sup>\*</sup> The present Issue has been authorized pursuant to a resolution of our Board of Directors dated February 07, 2024, and by Special Resolution passed under Section 62(1)I of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on February 08, 2024.



\*\*Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Our Company has only one class of share capital i.e., Equity Shares of ₹10 /- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.



# NOTES TO THE CAPITAL STRUCTURE

# 1. Details of increase in Authorized Share Capital:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

S.No.	Date	No. of Shares	Face Value (in Rs.)	Cumulative No. of Shares	Cumulative Authorized Share Capital (in Rs.)	Whether AGM/EGM
1.	On	1,00,000	10	1,00,000	10,00,000	N.A.
	Incorporation*					
2.	May 29, 2019	1,00,000	10	2,00,000	20,00,000	EGM
3.	April 12, 2022	8,00,000	10	10,00,000	1,00,00,000	EGM
4.	February 04, 2023	90,00,000	10	1,00,00,000	10,00,00,000	EGM
5.	January 08, 2024	1,50,00,000	10	2,50,00,000	25,00,00,000	EGM

<sup>\*</sup>The date of incorporation of our Company is January 02<sup>nd</sup>, 2019.

# 2. History of Paid-up Equity Share Capital of our Company.

S. No.	Date of Allotment	t	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consider ation	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
1.	On Incorporati	i	10,000	10	10	Cash	Subscripti on to MOA <sup>(1)</sup>	10,000	1,00,000	-
2.	May 04 2019	4,	90,000	10	10	Cash	Right Issue <sup>(2)</sup>	1,00,000	10,00,000	-
3.	May (2022	03,	9,00,000	10	N.A.	Other than cash	Bonus Issue	10,00,000	1,00,00,000	-
4.	February 04, 2023		45,00,000	10	N.A.	Other than Cash	Bonus Issue <sup>(4)</sup>	55,00,000	5,50,00,000	-
5.	July 05 2023	5,	79,111	10	127	Cash	Private Placement (5)	55,79,111	5,57,91,110	92,55,987
6.	August 2: 2023	5,	2,10,362	10	127	Cash	Private Placement <sup>(6)</sup>	57,89,473	5,78,94,730	3,38,68,341
7.	January 23 2024	3,	1,15,78,946	10	N.A.	Other than Cash	Bonus Issue	1,73,68,419	17,36,84,190	3,38,68,341



### Note:

1. Initial Subscribers to the MOA subscribed to 10,000 Equity Shares of face value of ₹ 10.00/- each as per the details given below:

S.No.	Name of Person	No. of Shares issued
1.	Vibhu Agarwal	5,000
2.	Megha Aggarwal	5,000
	Total	10,000

**2.** The Company thereafter issued 90,000 Equity shares on May 04, 2019, for cash consideration by way of Right Issue, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Vibhu Agarwal	60,000
2.	Megha Aggarwal	30,000
	Total	90,000

3. The company thereafter issued 9,00,000 Equity Shares on May 03, 2022 for Consideration other than Cash by issue of Bonus Shares, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Vibhu Agarwal	5,85,000
2.	Megha Aggarwal	3,15,000
	Total	9,00,000

**4.** The company thereafter issued 45,00,000 Equity Shares on February 04, 2023 for Consideration other than Cash by issue of Bonus Shares, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Vibhu Agarwal	29,25,000
2.	Megha Aggarwal	15,75,000
	Total	45,00,000

**5.** The Company thereafter issued 79,111 Equity shares on July 05, 2023, for cash consideration by way of Private Placement, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Zenith Multi Trading DMCC	79,111
	Total	79,111

6. The Company thereafter issued 2,10,362 Equity shares on August 25, 2023, for cash consideration by way of Private Placement, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Zenith Multi Trading DMCC	2,10,362
	Total	2,10,362



7. The company thereafter issued 1,15,78,946 Equity Shares on January 23, 2024, for Consideration other than Cash by issue of Bonus Shares, mentioned in detail below:

S.No.	Name of Person	No. of Shares issued
1.	Vibhu Agarwal	71,49,200.00
2.	Megha Aggarwal	38,50,000.00
3.	Zenith Multi Trading DMCC	5,78,946.00
4.	Shashi Agarwal	200.00
5.	Samridhi Agarwal	200.00
6.	Sumati Agarwal	200.00
7.	Ayush Agarwal	200.00
	Total	1,15,78,946



# 1. Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, Our Promoter – Mr. Vibhu Agarwal and Mrs. Megha Agarwal holds a total of 54,99,600 Equity Shares representing 95.00% of the pre-issue paid up share capital of our Company.

Details of Build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Equity Shares Share (in Rs.) Ry. Share (in Ry.) Ry. Share (in Ry.)		Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital of Cumulative Shares							
			Mr. Vibhu				0.03							
Incorporation Subscriber to MOA 5,000 10 10 Cash N.A.														
May 04, 2019	Right Issue	60,000	10	10	Cash	N.A.	0.35							
May 03, 2022	Bonus Issue	5,85,000	10	N.A.	Other than cash	N.A.	3.37							
February 04, 2023	Bonus Issue	29,25,000	10	N.A.	Other than cash	N.A.	16.84							
August 28, 2023	Transfer	(100)	10	127	Cash	Shashi Agarwal	Negligible							
August 28, 2023	Transfer	(100)	10	127	Cash	Samridhi Agarwal	Negligible							
August 28, 2023	Transfer	(100)	10	127	Cash	Sumati Agarwal	Negligible							
August 28, 2023	Transfer	(100)	10	127	Cash	Ayush Agarwal	Negligible							
January 23, 2024	Bonus Issue	7,149,200	10	N.A.	Other than cash	N.A.	41.17							
	Total	10,723,800					61.75							
			Ms. Megha	Aggarwal										
Incorporation	Subscriber to MOA	5,000	10	10	Cash	N. A	0.03							
May 04, 2019	Right Issue	30,000	10	10	Cash	N.A.	0.17							
May 03, 2022	Bonus Issue	3,15,000	10	N.A.	Other than cash	N.A.	1.81							
February 04, 2023	Bonus Issue	15,75,000	10	N.A.	Other than cash	N.A.	9.07							
January 23, 2024	Bonus Issue	38,50,000	10	N.A.	Other than cash	N.A.	22.17							
·	Total	57,75,000					33.25							

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledged.



# 2. Our shareholder Pattern

I. The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

Categ ory Code	Category of shareholder	No. of share holder	No. of fully paid-up equity shares held	No. of Part ly paid -up equi ty shar es held	No. of unde rlyin g Depo sitor y Rece ipts	Total no. of shares held	Shareh olding as a % of total no. of shares (calcul ated as per SCRA, 1957) As a % of (A+B+	Number of class of secu		g Rights held i *	ineach	No. of shares underlyin g Outstandi ng Convertib le Securities (including warrants)	Shareholdin g as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2)	No. of lo		pledg othe	shares ged or rwise ibered	Number of shares held in dematerialize dform
							C2)	No. of Votin	ng Rig	hts						N <sub>1</sub> - (-)	0/ -£	
								Class X	Clas s Y	Total	Total as a % of (A+B+C)			No. (a)	As a % of shares held (b)		As a % of shares held (b)	
I	II	III	IV	V	VI	VII= IV+ V+V I	VIII			IX		X	XI=VII+X	X	II	X	III	XIV
(A)	Promoters and Promoter Group	6	1,65,00,000	-	-	1,65,00,000	95.00	1,65,00,000	-	1,65,00,000	1,65,00,000	-	95.00	-		0.00	0.00	-
(B)	Public	1	8,68,419	-	-	8,68,419	5.00	8,68,419	-	8,68,419	8,68,419	-	5.00s	-		1		8,68,419
I	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	•	-	-	-		•		-
	Total	7	1,73,68,419	-	-	1,73,68,419	100	1,73,68,419	-	1,73,68,419	1,73,68,419	-	100.00	-		0.00	0.00	8,68,419

<sup>\*</sup>As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.



# II. Shareholding pattern of Promoter and Promoter Group

#	Category& name of shareholder (I)	PAN (II)	No. of shar ehol ders (III)	No. of fully paid up equity shares held (IV)	No. of Part ly paid up equi ty shar es held (V)	No. of share under lying Depos itory unreal ize (VI)	Total nos. shares held (VII)	Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B +C2)	Number of V	of s	Rights held in securities	reach class  Total asa %	No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants) (X)	Shareholdin g, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capita l) As a % of (A+B+C2)	lock Sh	aber of ted in ares	Numb Shares p or othe encumb	ledged rwise bered	Number of shares held in 85inalizatio n85dform
									Cl. V	CI	m . 1	of (A+ B+C) Class s: Y			(a)	% of total shares held (B)		% of total shares held (B)	
	(I)	( <b>II</b> )	(II	(IV)	(V	(VI)	(IV)+(V)+(	(VIII)	Class: X (IX)	Class s: Y	Total		(X)	(XI)=(VII)+	(XII)		(XIII)		(XIV)
(1)	T 1'		)		)		VI)			1		1		(X)				1	
(a)	Indian Individual/HUF	-	6																
1	Vibhu Agarwal		1	1,07,23,800	-	-	1,07,23,800	61.75	1,07,23,800	<del>  -</del>	1,07,23,800	61.75	_	61.75	_	-	0.00	0.00	-
2	Megha Agarwal	-	1	57,75,000	-		57,75,000	33.25	57,75,000	<del>-</del>	57,75,000	33.25	_	33.25	_		0.00	0.00	-
3	Shashi Agarwal	-	1	300	-	-		Negligible	300	-	300	Negligible	_	Negligible	_	-	-	-	-
4	Samridhi Agarwal	-	1	300	-	-		Negligible	300	-	300	Negligible	-	Negligible	-	-	-	-	-
5	Sumati Agarwal	-	1	300	-	-	300	Negligible	300		300	Negligible		Negligible	-	-	-	-	-
6	Ayush Agarwal	-	1	300	-	-		Negligible	300		300	Negligible		Negligible	-	•	-	-	-
(b	Cen. Govt./ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
I	Financial Institutions/Bank s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d )	Any other (Body Corporate)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
(2	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individual (NRI/ Foreign Individual)	1	-	-	-	-	-	-	-	-	-	-	-	-	•	•	-	-	-



(b	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
)																			
I	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
(d	Foreign Portfolio	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
)	Investor																		
(f)	Any	-	-	-	-	-	-	-	-		-	-	-	-	-	-		-	-
	Other(specify)																		
	Sub- Total(A)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2)																		
Tot	tal Shareholding			1,65,00,000			1,65,00,000	95.00	1,65,00,000		1,65,00,000	95.00		79.00			0.00	0.00	-
of	Promoters and																		
Pro	omoter Group																		
	=(A)(1)+(A)(2)																		



# III. Shareholding Pattern of public Shareholder

S.No.	Category & Name of shareholder	PA N	No. of share holder s	No. of full y paid up equity	No. of Partly paid up equity	g	Total nos. shares held (VII)	of shares	, ,		Rights held of securities		No. of Shares Underlyin g	Shareholding, as a % assuming full conversion of	lo	mber of cked in Shares	pled oth encu	of Shares ged or erwise mbered	Number of shares held in dematerialize d form
				shares held	shares held	Depositor y Receipts		(calculated as per SCRR, 1957) As a % of (A+B+C2)	a ng securities (as a (a) % of convertibl percentage of (A+ e diluted share shares held (B) (includin As a % of g (A+B+C 2) Warrants)		total shares held (b)	s ;)							
	( <b>I</b> )	(II)	(III)	(IV)	(V)	(VI)	(IV)+(V) +(VI)	(VIII)			(IX)		(X)	(XI)=(V II)+(X)		(XII)	(X	III)	(XIV)
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/State Government (s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non- Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individuals-	ı	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakh.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs.2lakh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Employee Trusts	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	Any Other (Foreign body corporate)	N.A.	1	8,68,4 19	-	-	8,68,41 9	5.00	8,68,4 19	-	8,68,419	5.00	-	5.00	-	-	-	-	8,68,419
	Sub-Total (B)(3)	-																	



Total Public Shareholding $(B)$ - $(B)(1) + (B)$	8,68,419	-	-	8,68,419	5.00	8,68,419	-	8,68,419	5.00	-	5.00	-	 	8,68,419
(2) + (B)(3)														1



# IV. Shareholding pattern of the Non-Promoter- Non-Public shareholder

S.N o.	Category & name of shareholder	PA N	No. of sharehol ders	No. of full y paid up equi ty shar es held	No. of Part ly paid up equi ty shar es held	No. of share s under lying Depos itory Recei pts	Total nos. shares held	Sharehol ding as a % of total no. of shares (calculat ed as per SCRR, 1957) As a % of (A+B+ C2)	Righ		in eacl curities	r class	No. of Shares Under lying Outstan ding converti ble securiti es (includi ng Warran ts)	Total Sharehol ding, as a % assuming full conversio n of convertibl e securities (as a percentag e of diluted share Capital) As a % of (A+B+C 2)	lock	nber of ed in ares  As a % of tota l sha res hel d (B)	Sha pledg other	ed or	Number of shares held in dematerialized form
	( <i>I</i> )	( I I )	(I I I)	(IV)	(V)	(VI)	(VII)=(IV) +(V) +(VI)	(VIII)			( I X )		(X)	(XI)=(VII)+ (X)		(XII)	(	(XI II)	(XIV)
(1)	Custodian /DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	ı	-	-	-	1	1	-	-	1	1	-	-	-	-	=	-	-
(2)	Employee Benefit Trust Under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	ı	-	-	-	-	1	-	-	-	-	-	-	-	-
	Total Non- Promoter – Non Public Shareholding I=I(1)+I(2)	-	-	-	-	-	-	-	-	-	•	•	-	-	-	-	-	-	-



#### Note:

- In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011, and SEBI circular bearing No. SEBI/CIR/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Presently, all the public shareholdings are in dematerialized form and the promoter and promoter group shareholding are in the process of dematerialization. We hereby confirm to get all the existing shareholding in dematerialized form before the filing of Red Herring Prospectus.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.



- 11. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
- 12. Following are the details of the holding of securities of persons belonging to the category "Promoter and Promoter Group" and "public" before and after the Issue:

		Pre	issue	Po	st issue	
Sr. No.	Name of shareholder	No. of equity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital	
		Promoters	-		Capitai	
1	Vibhu Agarwal	1,07,23,800	61.75%	1,07,23,800	45.38%	
2	Megha Aggarwal	57,75,000	33.25%	57,75,000	24.44%	
	Total – A	1,64,98,800	95.00%	1,64,98,800	69.82%	
		Promoter	Group	,		
3	Shashi Agarwal	300	Negligible	300	Negligible	
4	Samridhi Agarwal	300	Negligible	300	Negligible	
5.	Sumati Agarwal	300	Negligible	300	Negligible	
6.	Ayush Agarwal	300	Negligible	300	Negligible	
	Total – B	1,200	Negligible	1,200	Negligible	
		Publi	c			
7	Zenith Multi Trading DMCC	8,68,419	5.00%	8,68,419	3.67%	
8 IPO		-	-	62,62,800	26.50%	
	Total-C	8,68,419	5.00%	71,31,219	30.18%	
	Total	1,73,68,419	100.00%	2,36,31,219	100.00%	

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition*
		(in Rs.)
Vibhu Agarwal	1,07,23,800	0.06
Megha Aggarwal	57,75,000	0.06

<sup>\*</sup> As Certified by M/s Jain V. & Co., Chartered Accountants dated February 02, 2024.

# 14. Details of Major Shareholders:

A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid-up Capital**
1.	Vibhu Agarwal	1,07,23,800	61.75%
2.	Megha Aggarwal	57,75,000	33.25%
3.	Zenith Multi Trading DMCC	8,68,419	5.00%
	Total	1,73,67,219	100.00%



B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid- up
			Capital**
1.	Vibhu Agarwal	1,07,23,800	61.75%
2.	Megha Aggarwal	57,75,000	33.25%
3.	Zenith Multi Trading DMCC	8,68,419	5.00%
	Total	1,73,67,219	100.00%

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid- up Capital**
1.	Vibhu Agarwal	35,75,000	65.00%
2.	Megha Aggarwal	19,25,000	35.00%
	Total	55,00,000	100.00%

D. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid- up Capital**
1.	Vibhu Agarwal	65,000	65.00%
2.	Megha Aggarwal	35,000	35.00%
	Total	1,00,000	100.00%

<sup>\*</sup>The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.

- 15. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
- 16. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if

<sup>\*\*</sup> the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.



an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

- 17. We have 7 shareholders as on the date of filing of this Draft Red Herring Prospectus.
- 18. As on the date of this Draft Red Herring Prospectus, our Promoters and Promoters' Group holds a total of 1,65,00,000 Equity Shares representing 95.00% of the pre-issue paid up share capital of our Company.
- 19. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus.
- 20. The members of the Promoters Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.

# 21. Details of Promoter's Contribution locked in for 3 years:

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters Contribution as mentioned above shall be locked-in for a period of 3 years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

The promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year from the date of allotment in the initial public offer.

**Explanation**: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters Contribution of 20.00% of the post issue paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.



The details of the Equity Shares held by our Promoters, which are locked in for a period of 3 years from the

Name of	Date of	Nature	No. of	Face	Issue/	Percentage	Lock in
Promoter	Transactionand	of	<b>Equity</b>	Value	Acquisition	of post-	Period
	when	Transac	Shares	(Rs.)	Price per	Offerpaid-	
	made fullypaid-	tion			<b>Equity Share</b>	up capital	
	up				(Rs.)	(%)	
Vibhu	[•]	[•]	[●]	10	[●]	[•]	[●]
Agarwal	[•]	[•]	[•]	10	[•]	[•]	[•]
Megha	[•]	[•]	[•]	10	[•]	[•]	[•]
Aggarwal	[•]	[•]	[•]	10	[•]	[•]	[•]

date of Allotment in the Offer are given below:

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters contribution are not subject to pledge. Lock-in period shall commence from the date of allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:

- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- b) Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or Unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters contribution;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- d) The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- e) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, 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.

## **Equity Shares locked-in for One Year**

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the promoters and public pre-issue shareholding of Equity Share capital of our Company, i.e. [•] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.



# Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged as a collateral security for a loan granted by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance company or a housing finance company, subject to the following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.
- However, 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 specified has expired.

## Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.
- 22. Our Company, our Promoters, our Directors and the BRLM to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
- 23. Except as disclosed in this chapter titled "Capital Structure" beginning on page number 78 of this Draft Red Herring Prospectus, our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation.
- 24. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.



- 25. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- 26. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- 27. There are no safety net arrangements for this public Offer.
- 28. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
- 29. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lockin shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
- 30. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
- 31. As per RBI regulations, OCBs are not allowed to participate in this Issue.
- 32. There is no Buyback, stand by, or similar arrangement by our Company/Promoters/Directors/BRLM for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
- 33. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- 34. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
- 35. 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 BRLM and BSE.
- 36. The Issue is being made through Book Building Method.
- 37. BRLM to the Issue viz. Narnolia Financial Services Limited and its associates do not hold any Equity Shares of our Company.
- 38. Our Company has not raised any bridge loan against the proceeds of this Issue.
- 39. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.



- 40. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
- 41. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- 42. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
- 43. Our Promoters and the members of our Promoter Group will not participate in this Issue.
- 44. Our Company has not made any public issue since its incorporation.
- 45. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
- 46. For the details of transactions by our Company with our Promoter Group, Group Companies during last three years ended on March 31, 2023, March 31, 2022 & March 31, 2021, Fiscals, please refer to paragraph titled —*Related Party Transaction* in the chapter titled "*Financial Information*" beginning on page number 279 of this Draft Red Herring Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "Our Management" beginning on page number 218 of this Draft Red Herring Prospectus.



### **OBJECTS OF THE ISSUE**

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the SME platform of BSE.

## The objects of the Issue are:-

- 1. To meet out the expenses for Production of New Content
- 2. To meet out the expenses for Purchase of International Shows
- 3. To meet out the expenses for Investment in Technology
- 4. To meet out the Working Capital requirements of the Company
- 5. To meet out the General Corporate Purposes; and
- 6. To meet out the Issue Expenses.

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

### **Fund Requirements**

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

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

S. N.	Particulars	Amount* (In Rs. Lakh)	% of Gross Proceeds	% of Net Proceeds
1.	Production of new content	3000.00	[•]	[•]
2.	Purchase of International Shows	2000.00	[•]	[●]
3.	Purchase of State-of-the-art Equipment and Hiring	1500.00		
	of Staff			
4.	Working Capital Requirement	5000.00	[•]	[●]
5.	General Corporate Purposes	[●]	[•]	[●]
6.	Issue Expenses#	[•]	[•]	[●]
	Total	[•]	[•]	[●]

<sup>\*</sup>Tentative Figures

#As per the certificate given by M/s Jain V. & Co., Chartered Accountant dated February 07, 2024, the Company has incurred a sum of 11.50 Lakhs towards issue expenses till February 07, 2024.

The objects detailed above are intended to be funded from the proceeds of the Issue while any remaining funding needs will be met through the company's internal accruals. 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 rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

### **Details of Utilization of Issue Proceeds**

### 1. Production of new content:

Our company intends to deploy Net Proceeds aggregating to Rs. 3000.00 Lakhs for production of various shows, feature films, web series, domestic as well as International, which are identified by the board of directors.

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, marketing and delivery of content on our platform/ app "Ullu". We collaborate with various production houses or independent producers who handle all the production process i.e., on ground execution of the projects. We are involved in deciding the budget or estimated cost of the project and the whole production process is outsourced to the production houses or independent producers.

Our company after deciding the budget, search for the appropriate producer or production house for execution and completion of the project at the estimated cost by entering into Letter of intent and production service agreement with them.

The company is planning to expand its content library by producing new shows (domestic as well as International). The detailed description, current status and estimated budget of the projects/ shows identified for this purpose are as follows:

(Amount in Lakhs)

S. No.	Name	Genre	Description	Status and expected date of release*	Estimated cost/ Budget
1.	De De	Romantic	Story about when a husband falls in	Work In progress	280.00
	Pyaar De	Comedy	love with a woman almost half his age,		
		Drama	he introduces her to his wife and		
			children. However, their unacceptance		
			threatens to ruin their relationship.		



2.	Drishti	Thriller	it's a story about a girl who is blind and	Work In progress	480.00
۷.	Disiu	Drama	later after an incident, she takes a hard decision to commit suicide but later when she wakes up in the hospital, she gets back her vision, through an eye transplant from a donor who is dead.	work in progress	400.00
			Now she sees visuals which come true and how the drama unfolds.		
3.	Parivar On Rent	Family Drama Comedy	In the story of "Chaturvedi Niwas," Keshav Chaturvedi orchestrates a grand escape with his family after a major scandal. The responsibility of the mansion falls on caretaker Baijnath, who is entrusted with the family's secrets. Meanwhile, a web of rented relationships and hidden identities unfolds, as individuals, including supari bhaai's agents and a fake couple, converge on Chaturvedi Niwas, each harbouring their own mysteries.	Work in Progress	210.00
4.	Rahu Ketu	Mythological	Based on mythological facts of a Asura Rahu who becomes 8 & 9 planet god.	Screenplay in progress	195.00
5.	Tirupati Balaji	Mythological	Based on mythological story of God Vishnu and Goddess Laxmi. It's a love story	Screenplay in progress	364.00
6.	Surya Dev	Mythological	Mythological story based on the life of sun god	Screenplay in progress	364.00
7.	Ganga Maiyya	Mythological	Mythological biographical story based on ganga	Story In Progress	364.00
8.	Sharp Ya Vardhan	Mythological	Mythological stories from Satyug to Kaliyuga on curses which are boon in disguise.	Concept and sample episode, voice note ready	364.00
9.	K-Sutra	Erotic Romance	In ancient India, aspiring writer Vatsayana's love for Aradhayana is thwarted by societal norms. After Aradhayana's tragic life takes unexpected turns, she finds refuge in a brothel town. As fame and power converge, Aradhayana persuades Vatsayana to join her, and their unique relationship becomes the inspiration for the timeless Kamasutra, as he documents the intricacies of desire, passion, and human intimacy.	Work In Progress	250.00
10.	Tarzan	Action	In the mystical Sundarban forest, Ranjeet ventures to unravel its secrets while jenny's connection with Tarzan unfolds. A political storm brews as	Work In Progress	220.00



			jenny's disappearance sparks intrigue,		
			leading to a citywide search. As Tarzan		
			adapts to urban life, societal clashes and		
			investigations ensue, culminating in a		
			daring escape. The story converges on a		
			choice between nature and civilization,		
			shaping jenny's journey from fame to		
			an ultimate embrace of the wild.		
11.	Zanan	Mythology,	Zanankhana is a classic tale of lust love	Story In Progress	200.00
	Khana	Romance and	& deceit. Set in the medieval times,		
		Drama	against the backdrop of kings having		
			countless wives, who are not able to		
			satiate their hunger for romance & love,		
			tend to search out for their gratification.		
			In this backdrop, passionate love		
			between a queen & a local boy blooms.		
			And here starts our intriguing journey		
			into their lives full of lies, threat, &		
			politics.		
12.	Chokher	Romance	It explores the extra marital affair	Story In Progress	190.00
	Bali	Drama	between Binodini, a young widow and	,	
			Mahendra, an old suiter of hers, the		
			complicated friendship with Asha,		
			Mahendra's wife and her mutually		
			conflicting feelings with Behari,		
			Mahendra's childhood best friends.		
13.	Faiz And	Intense Love	Epic passionate soulful love story	Story Locked	250.00
	Noorie	Story	between the young and simple yet very	Screenplay in	
		, <b>,</b>	Attractive Faiz from a small town in	Progress	
			Uttar Pradesh India, and the beautiful	11081000	
			sensuous yet fiery Noori from a small		
			town in Pakistan, who get attracted and		
			fall in love with each other over an		
			unexpected phone call across the two		
			countries.		
14.	Black	Spy Thriller	Black Tiger is a thriller-drama set in the	Screenplay In	300.00
17.	Panther	Spy Timino	decade of turbulent 1970s, across two	Progress	500.00
	1 antifer		arch-nemesis countries. In its expansive	110g1033	
			span, the story takes us along the		
			infamous political rivalry that claimed		
			innumerable lives and exposes national		
			secrets while also revealing		
			C		
			international manipulations! And yet on		
			a personal level, it tells the story of a		
			middle-class Delhi boy who goes on an		
			unthinkable journey, never to return		
			home! The emotions he faces and the		
			relations he builds and destroys, the		



			punishment he receives all for loving		
			his country.		
15.	Kerala	Suspense	A story about how a daughter in law	Story Locked	140.00
	Kand	Thriller	kills all her family members over a	Screenplay in	
			period of a few years using cyanide	Progress	
			(that's difficult to detect). Based on real		
			life story.		
16.	Love	Thriller	Lovers run away and take shelter here	Going on floor on	120.00
	Hostel		to live their lives together but the	the 29 <sup>th</sup> of January	
			females in the couple are sold on dark	2024	
			web and the boys are killed.		
	4291.00				
IPO Proceeds					3000.00
Internal Accruals					1291.00

<sup>\*</sup>The expected date of release of the above content/shows is FY 2024-25 and FY 2025-26.

*Note: The above cost estimates are tentative, the actual production budget can deviate.* 

Since the budget of the projects are decided by our company, the Quotations for the same cannot be provided. Hence, the basis of estimation of cost of each project is given below:

### Basis of estimation of cost of each project:

Our company decides the budget of the project by considering essential components such as location and permissions, actor and technical crew fees, travel costs, equipment rentals, producer margin, and miscellaneous factors.

For location and permissions, we assess the costs associated with shooting in diverse locations, evaluating permit expenses, location fees, and compliance with legal and regulatory requirements.

In terms of actors and technical crew fees, we consider the fees of actors, directors, cinematographers, sound engineers, and related travel costs. Special considerations are given to specific cast or actors required for a project, impacting the overall budget. Additionally, overtime and charges for extended working hours are taken into account.

Equipment rentals are a crucial aspect, where we identify the cost such as cameras, lighting, and sound equipment. The associated expenses for renting or leasing this equipment contribute to the overall project budget.

Allocating a producer margin is integral to our budgeting process, ensuring fair compensation for the producer's efforts and coordination.

Miscellaneous factors, including unexpected costs, last-minute changes, or unforeseen needs, are carefully considered to maintain project viability. This comprehensive approach forms the basis for an accurate estimation of project budgets.



### 2. Purchase of International Shows:

Our company intends to deploy Net Proceeds aggregating to Rs. 2000.00 Lakhs for the purchase of international content identified by the board of directors. Further we confirm that we are in compliance with Regulation 230(3), of SEBI (ICDR) Regulations, 2018.

Our company is proposing to expand its content library by acquiring some international content that has been identified by the board of directors. The company will acquire the language, dubbing and distribution rights of the content, all over India in different languages mainly in Hindi, English, Urdu, Malayalam, Tamil and Telegu on exclusive basis for a period of 3 years or more as may be decided.

The board of directors have identified some Korean, Turkish and Japanese content for acquisition. Negotiations are currently underway for the acquisition of language, dubbing, and distribution rights for the content with the respective agencies. We have obtained and are reviewing the term sheet provided by these agencies for the acquisition of content.

The 103inalizatio from the IPO proceeds would be as follows:

S. No.	Agency name	Amount in USD				
Turkesh content						
01.	Goquest Media	9,34,000				
02	Calinos Entertainment	2,56,700				
03.	Lemon Mint Films	12,46,300				
04.	NIC	3,92,200				
	Japanese content					
05.	Goquest Media	64,000				
	Korean Content					
06.	NIC	12,7200				
	Total (USD)	3,020,400				
	Total Amount in Rupees	25,06,93,200				
	IPO Proceeds (Rs.)	20,00,00,000				
	Internal Accruals (Rs.)	5,06,93,200				

*Note: The conversion rate is taken as on January 31, 2024, i.e., Rs. 83/- per USD.* 

The cost estimates of each show from the agencies/vendors are given as follows:

# Turkish Content:

**Agency: Goquest Media** 

S. No.	Original Titles	English Meaning	Total Episodes	Cost per Episode (USD)	Total Episodic cost (USD)
01.	Duy Beni	Hear Me	66	850	56100
02.	Yuz yillik mucize	Miracle of love	38	900	34200
03.	Kardeşlerim	For My Family	193	1000	193000



04.	Kimse Bilme	Love & Secrets	88	1000	88000
05.	Ikimizin Sirri	Between US	34	1000	34000
06.	Zalim İstanbul	Ruthless City	136	1000	136000
07.	Bahar	Bahar	114	1100	125400
08.	The Innocents	The Innocents	243	1100	267300
	Total	912		934000	

**Agency: Calinos Entertainment** 

S. No.	Original Titles	English	Total	Cost per Episode	Total
		Meaning	<b>Episodes</b>	(USD)	<b>Episodic cost</b>
					(USD)
01.	EGO	EGO	40	850	34000
02.	Kanunsuz Topraklar	Lawless Love	52	850	44200
03.	Çoban Yıldızı	Lodestar	55	850	46750
04.	Adı Zehra	In Another Life	42	850	35700
05.	Hayat Sevince Güzel	Recipe for Love	49	850	41650
06.	Acil Aşk Aranıyor	Emergency	64	850	54400
		Love			
	Total				256700

**Agency: Lemon Mint Films** 

S. No.	Original Titles	English	Total	Cost per	Total
		Meaning	Episodes	Episode (USD)	<b>Episodic cost</b>
					(USD)
01.	Tuzak	Revenge	82	1300	106600
02.	Safir	Sapphire	40	2300	92000
03.	Hudutsuz Sevda	The Brave	75	2300	172500
04.	Esaret	Redemption	207	1300	269100
05.	Esaret S-2	Redemption S -2	273	1300	354900
06.	Ada Masali	Be My Sunshine	83	1800	149400
07.	Hayat Bugun	Life Today	24	1500	36000
08.	Adim Farah	My Name is	47	1400	65800
		Farah			
	Total	831		1246300	

Agency: NIC

S. No.	Original Titles	<b>English Meaning</b>	Total	Cost per	Total
			Episodes	Episode (USD)	<b>Episodic cost</b>
					(USD)
01.	Masumiyet	Innocence	35	1100	38500
02.	Senden Daha Güzel	The Beauty Inside	37	1200	44400
03.	-	The Phoenix	69	1050	72450
04.	Kızılcık Şerbeti	One Love	101	1050	106050
05.	-	Sisters	67	1200	80400
06.	Cocuk	The Boy	48	1050	50400



Total	357	392200
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# Japanese content:

**Agency: Goquest Media** 

S. No.	Titles	Total	Cost per Episode	Total
		<b>Episodes</b>	(USD)	<b>Episodic cost</b>
				(USD)
01.	I Will be your bloom	9	1000	9000
02.	Promise Cinderella	9	900	8100
03.	Dragon Sakura S2	9	1000	9000
04.	A Story to Read When You First Fall in	10	900	9000
	Love			
05.	Meet me after school	11	900	9900
06.	A Warmed-Up Love	10	1000	10000
07.	Heaven and Hell: Soul Exchange	10	900	9000
	Total	68		64000

#### Korean Content:

**Agency: NIC** 

S. No.	Titles	Total	Cost per hour	Total
		<b>Episodes</b>	(USD)	Episodic cost
				(USD)
01.	Queen of Masks	16	1500	24000
02.	Show window the queens house	16	1300	20800
03.	lie after lie	16	1300	20800
04.	Eccentric chef moon	16	1300	20800
05.	Touch	16	1300	20800
06.	Love affair in the afternoon	16	1250	20000
	Total	68		127200

Since the quotations cannot be provided, the above cost of international content are provide on the basis of term sheet provided by these agencies for the acquisition of content.

# 3. Purchase of State-of-the-art Equipment and Hiring of Staff:

Our company intends to deploy Net Proceeds aggregating to Rs. 1500.00 Lakh for Purchase of State-of-the-art Equipment and Hiring of Staff. Further we confirm that we are in compliance with Regulation 230(3), of SEBI (ICDR) Regulations, 2018.

## *Purchase of State-of-the-art Equipment:*

Our company intends to deploy net proceeds of INR 500.00 Lakhs to procure state-of-the-art equipment, integral for our daily operations. Certain devices will be dedicated to tasks such as colour grading, contrast



adjustments, and the application of filters to enhance the clarity of pictures and videos. Simultaneously, some devices will focus on incorporating sound into our videos, while others will be utilized for uploading content onto our platform, storage purposes, and data transfer.

With their advanced specifications and capabilities, these devices play integral roles in ensuring seamless content creation, storage, and delivery on the platform, contributing to an enhanced and efficient overall operational workflow.

The details of the same are as follows:

S. No.	Particulars	Quantity	<b>Amount in Rupees</b>
01.	Promise 176 TB Thunderbolt	17	1,05,57,000
02.	Terra Master 353 TB Thunderbolt	09	73,80,000
03.	Seagate SAN Storage	01	3,02,51,702
04.	DI Set Up	01	45,47,500
05.	VFX (PC with AMD Processor)	12	15,60,000
06.	Uplink Encoder (PC with Intel i9	12	19,02,000
	Processor)		
07.	Sound Folly	02	11,77,812
	Total	•	5,73,76,014
	IPO Proceeds	5,00,00,000	
	Internal Accruals		73,76,014

The details of quotations for the Promise 176 TB Thunderbolt are as follows:

S. No.	Particulars	Quantity	Date of Quotation	Amount (Rs.)
	Vendor: C	Gravity Prime Sol	_	
01.	Promise 176 TB Thunderbolt  Promise Technology Pegasus32 R8 176TB (8X22TB) Hybrid Thunderbolt 3 Das Storage.	17	18 December 2023	1,05,57,000/-
	Total	l		1,05,57,000/-

Note: 1. The amounts are excluding GST and other taxes.

The details of quotations for the Terra Master 353 TB Thunderbolt are as follows:

S. No.	Particulars	Quantity	Date of Quotation	Amount (Rs.)
1100	Vendo	r: Hitech Solutio		
01.	Terra Master 352TB D16  16 Bay Thunderbolt 3 raid 0/1/5/10/JBOD/Single 352TB (16 X22TB) [7200rpm] – enterprise class	09	27 December 2023	73,80,000/-

<sup>2.</sup> The quotations are valid as on the date of this DRHP.



Drives			
Total			73,80,000/-

2. The quotations are valid as on the date of this DRHP.

The details of quotations for the Seagate SAN Storage are as follows:

S.	Particulars	Date of Quotation	Amount (Rs.)			
No.						
	Vendor: Medialo	gy Broadcast Private Limited				
01.	Seagate SAN Storage *1					
	5U84 Seagate Exos X + E(JBOD) – 6	5.46 PB (Raw Capacity – 294 x 22TB	) + 53.76TB (Raw			
	SSD Cache – 14 x 3.84TB)					
	Exos-X5U-5YR	19 December 2023	2,96,01,702/-			
	Exos-X5U-5YR JBOD					
	Exos-X5U-5YR JBOD					
	MBPL/INST/CON		6,50,000/-			
	Total		3,02,51,702/-			

Note: 1. The amounts are excluding GST and other taxes.

2. The quotations are valid as on the date of this DRHP.

The details of quotations for the DI Set Up Resolve Studio with Advance Panel are as follows:

S. No.	Particulars	Quantity	Date of Quotation	Amount (Rs.)
1101	Vendor: 1	Hitech Solutio		
01.	Apple Mac Pro Tower (Hardware and software)	1	27 December 2023	45,47,500/-
02.	Magic Keyboard with Numeric Keypad  – US  English	1		
03.	Apple Magic Mouse 2	1		
04.	Blackmagic Ultra Studio 4K Mini	1		
05.	80TB G-Speed Shuttle XL Thunder Bolt 3 RAID 5 Storage	1		
06.	Apple Studio Display	2		
07.	Yamaha HS5 Powered Desktop Monitor	1		
08.	Black Magic Davinci Resolve Advance Panel	1		
09.	Da Vinci Resolve Studio Software License	1		
10.	Wacom Intuos Pro Small Graphics Tablet	1		
11.	1.5 KVA UPS APC Brand	1	1	
12.	AppleCare+ for Mac	1	]	
13.	Installation Charges	1		



ĺ	Total			45,47,500/-	
		Calibration LCD Monitor			
	14.	Eizo Color Edge CG319X Hardware	1		

The details of quotations for VFX machine (PC with AMD Processor) are as follows:

S. No.	Particulars	Quantity	Date of Quotation	Amount (Rs.)
2100	Vendor Name:	Arihant Info S		
01	VFX machine (PC with AMD	12	18/12/2023	15,60,000
	Processor)			
	Specifications:			
	CPU (AMD 5700X CPU)			
	Board (Gigabyte X570S-UD			
	Motherboard)			
	Memory (64GB (32GB x 2) DDR4			
	3200MHz Vengeance Corsair)			
	HDD (4 TB WD SATA HDD)			
	SSD (512GB ESSENTIAL X M.2			
	NVME SSD ES512GSSDM2NAF)			
	Graphic Card (12GB PCIE Graphics			
	Card RTX3060)			
	Cooling (ANTEC 240 ARGB)			
	Cabinet (ANTEC DF600 Flux)			
	Power Supply (Power Supply Antec			
	650W)			
	Monitor (27" Benq GW2780)			
	K. B + Mouse (Dell Keyboard + Mouse			
	Cordless)			
	OS (Windows 10 Professional)			
	UPS (APC BX1100C-IN 1100VA			
	UPS)			
	Total			15,60,000/-

Note: 1. The amounts are excluding GST and other taxes.

The details of quotations for Uplink Encoder (PC with Intel i9 Processor) are as follows:

S. No.	Particulars			Quantity	Date of	Amount (Rs.)
110.					Quotation	
		Vendor Na	ame:	Arihant Info S	Solutions	
01	Uplink Encoder	(PC with Inte	el i9	12	18/12/2023	19,02,000
	Processor)					
	Specifications:					
	CPU (Intel	i9 139	900K			
	3.0Ghz/24C/32MB	)				

<sup>2.</sup> The quotations are valid as on the date of this DRHP.

<sup>2.</sup> The quotations are valid as on the date of this DRHP.



Board (Gigabyte B760M Gaming)
Memory (64GB DDR4 RAM (32*2)
CORSAIR 3200mhz)
HDD (12 TB WD Ultrastar Sata
Enterprise HDD)
SSD (256GB ESSENTIAL X M.2
NVME SSD ES256GSSDM2NAF)
Graphic Card (Zotac 710 2GB PCIe
Graphics Card)
Cooling (Antec 240ARGB)
Cabinet (Cabinet TD500 MESH)
Power Supply (FSP 1200W HPT2-
1200M Platinum PS2)
Monitor (27" BENQ GW2780)
K. B + Mouse (Dell USB Keyboard +
USB Mouse)
OS (Windows 10 Professional)
UPS (APC BX1100C-IN 1100VA
UPS)
Total

2. The quotations are valid as on the date of this DRHP.

The details of quotations for Sound Folly are as follows:

S.	Particulars	Quantity	Date of	Amount (Rs.)
No.			Quotation	
	Vendor Nan	ne: Hitech Solu	ıtions	
01	Sound Folly	02	27/12/2023	11,77,812
	Specifications:			
	Apple- Mac Studio (Apple M2 Ultra			
	with chip 24-core CPU,60-core GPU			
	32-core Neural Engine)			
	Benq- 27-inch monitor (27 INCH			
	FULL HD MONITOR: 27" Full HD			
	Ultra-Slim IPS widescreen with 1920 x			
	1080)			
	Lacie- 8 TB D2 Professional (8TB			
	Storage Capacity 1 x USB 3.1 Gen 1			
	Type-C Port)			
	Yamaha- HS 8 Studio monitor (High-			
	performance drivers and mounting			
	system 8" cone woofer, 1" dome			
	tweeter)			
	Avid- Protools Ultimate software (Pro			
	Tools Ultimate Annual Paid Annually			
	Subscription Electronic Code – NEW)			



Rode- Nt2a Microphone (The NT2-A is a highly versatile large-diaphragm studio condenser microphone)
Soundcraft- MTK 12 MIXER (High-
Performance 12-input small format analogue mixer with onboard effects
and multi-track USB recording and
playback) BERYERDYNAMIC- DT 990 250 Ω
headphone (Transducer type /
Operating principal Dynamic / Closed – Circumaural (around the ear)
Audio technical- M 20x headphone
(Recording and Mixing 40mm Neodymium Dynamic Drivers)
Behringer- HA 400 headphone amp (4-
channel stereo headphone amplifier for
use with all types of headphones)  Hawk- Cables
APC- 1.1 KV ups (Compact Design
Line Interactive UPS with Load
Capacity of 660Watts / 1100VA)
Total

2. The quotations are valid as on the date of this DRHP.

# Hiring of staff:

Apart from acquiring equipment's, our company intends to deploy 1000.00 Lakhs for hiring of staff in different departments and different divisions of the company.

Our company is planning to expand its reach into other countries for which a strong marketing team is essential. The company shall also need highly experienced staff to operate the new equipment. Further, the app and content need to be continuously updated for complying with laws of each country. Therefore, a strong technical team is also required to make necessary changes in the app and the content.

Our company will hire the employees in the following departments and division:

S. No.	Department	Quantity	Amount per month	Amount for 12 months
01.	Film Division	27	36.75	441.00
02.	Web series and shows division	35	141.90	1702.80
03.	Mythology Division	26	42.50	510.00
04.	HR & Welfare Division	9	8.50	102.00
05.	IT development and Integration Division	11	15.50	186.00
06.	Social Media Division	14	10.20	122.40
07.	Sales and Marketing Division	13	28.50	342.00
08.	Legal and compliance Head	1	3.00	36.00



09.	Quality Check officer Head	1	2.00	24.00
10.	Customer support team Head	1	2.00	24.00
	Total	143	290.85	3490.2
	IPO Proceeds			1000.00
	Internal Accruals			2490.20

<sup>\*</sup>The above employee costs are based on market standard and vacancies available at various vacancy websites.

The following are the details and number of employees required in the Film division along with cost estimates.

(Amount in lakhs)

S. No.	Department/ Designation	Quantity	Years of experience*	Salary (p.a.p.p.)	Amount per month	Amount for 12 months
01.	Vice President- Films	1	15-20	5.00	5.00	60.00
02.	Creative Director	1	15-20	3.00	3.00	36.00
03.	Creative Head	2	15-20	2.00	4.00	48.00
04.	Assistant creative manager	2	15	1.00	2.00	24.00
05.	Executive Producer	1	15	1.00	1.00	12.00
06.	Head of Production	1	15	1.00	1.00	12.00
07.	Production Manager	1	15	0.75	0.75	9.00
08.	Production Coordinator	1	10-15	0.50	0.50	6.00
09.	Head of Post-Production	1	10-15	1.00	1.00	12.00
10.	Graphic designer	3	8-10	1.20	3.60	43.20
11.	VFX Team	3	8-10	1.20	3.60	43.20
12.	DI team	3	8-10	1.20	3.60	43.20
13.	Sound & Dubbing team	3	8-10	1.20	3.60	43.20
14.	Promo team	3	8-10	1.20	3.60	43.20
15.	In- film branding	1	8-10	0.50	0.50	6.00
	executive					
	TOTAL	27			36.75	441.00

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in Web series and shows division along with their cost estimates.

S. No.	Department/	Quantity	Years of	Salary	Amount	Amount for
	Designation		experience*	(p.a.p.p.)	per month	12 months
01.	Vice President- Content	1	15- 20	5.00	5.00	60.00
02.	Content development	1	15- 20	2.50	2.50	30.00
03.	Production Officer	1	15- 20	2.50	2.50	30.00
04.	Creative director	2	15- 20	7.00	14.00	168.00
05.	Creative Head	5	10-15	5.00	25.00	300.00
06.	Assistant creative manage	5	10-15	8.00	40.00	480.00
07.	Graphic designer	5	8-10	3.50	17.50	210.00
08.	VFX Team	5	8-10	3.50	17.50	210.00
09.	DI team	3	8-10	2.50	7.50	90.00
10.	Sound design, Mixing &	3	8-10	2.00	6.00	72.00



	Dubbing team					
11.	Promo team	2	8-10	1.20	2.40	28.80
12.	SRT and packaging	2	8-10	1.00	2.00	24.00
	TOTAL	35			141.90	1702.80

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in the Mythology division along with their cost estimates.

(Amount in lakhs)

S. No	Department/ Designation	Quantity	Years of experience*	Salary (p.a.p.p.)	Amount per month	Amount for 12 months
01.	Vice President- Content	1	15- 20	5.00	5.00	60.00
02.	Content head and coordinator	1	15- 20	3.00	3.00	36.00
03.	Creative director	1	15- 20	2.50	2.50	30.00
04.	Creative Head	2	15- 20	2.00	4.00	48.00
05.	Assistant creative manager	3	10-15	2.00	6.00	72.00
06.	Post-production coordinator	1	10-15	1.50	1.50	18.00
07.	Graphic designer	3	8-10	1.20	3.60	43.20
08.	VFX Team	3	8-10	1.20	3.60	43.20
09.	DI team	3	8-10	1.20	3.60	43.20
10.	Sound & Dubbing	3	8-10	1.20	3.60	43.20
11.	Promo team	3	8-10	1.20	3.60	43.20
12.	Legal Compliance	1	8-10	1.50	1.50	18.00
13.	Customer support	1	8	1.00	1.00	12.00
de COL	TOTAL	26	, ,	. ,	42.50	510.00

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in HR and Welfare division along with their cost estimates.

S. No.	Department/ Designation	Quantity	Years of experience*	Salary	Amount	Amount for 12 months
	Designation		experience.	(p.a.p.p.)	per month	12 months
01.	Chief Human resource officer	1	15- 20	3.50	3.50	42.00
02.	Talent acquisition manager	1	10-12	0.75	0.75	9.00
03.	Employee relation & compensation	1	10-12	0.75	0.75	9.00
04.	Learning and development	1	10-12	0.75	0.75	9.00
05.	HR Operations	1	10-12	0.75	0.75	9.00
06.	Wellness and employee engagement	1	10-12	0.50	0.50	6.00
07.	Legal and compliance	1	10-12	0.50	0.50	6.00



	TOTAL	9			8.50	102.00	
08.	HR executive	2	10-12	0.50	1.00	12.00	

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in IT Development and integration division along with their cost estimates.

(Amount in lakhs)

S. No.	Department/	Quantity	Years of	Salary	Amount	Amount for
	Designation		experience*	(p.a.p.p.)	per	12 months
					month	
01.	Vice President- (IT	1	15- 20	5.00	5.00	60.00
	Development and					
	Integration)					
02.	Head of IT development	1	15- 20	3.00	3.00	36.00
	and integration					
03.	Software development	1	15- 20	2.50	2.50	30.00
	manager					
04.	Head of quality	1	10-12	1.75	1.75	21.00
	assurance and testing					
05.	Data and analytics	1	10-12	1.00	1.00	12.00
	manager					
06.	User experience designer	1	8-10	0.50	0.50	6.00
	and graphic designer					
	manager					
07.	Security expert officer	1	8-10	0.50	0.50	6.00
08.	Legal and compliance	1	8-10	0.50	0.50	6.00
	associate					
09.	IT Development and	3	8-10	0.25	0.75	9.00
	integration executive					
	TOTAL	11			15.50	186.00
*TL	atual Vears of experience of	• , ,	.1 1	. 1		

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in social media division along with their cost estimates.

S. No	Department/	Quantity	Years of	Salary	Amount	Amount for
	Designation		experience*	( <b>p.a.p.p.</b> )	per	12 months
					month	
01.	Social media head	1	15- 20	2.50	2.50	30.00
02.	Social media manager	1	15- 20	1.50	1.50	18.00
03.	Content creation manger	1	10-12	1.00	1.00	12.00
04.	Performance ad manger	1	10-12	1.00	1.00	12.00
05.	Advertising and paid	1	8-10	0.50	0.50	6.00
	media executives					
06.	Brand partnership and	1	8-10	0.50	0.50	6.00
	influencer relations					
07.	Social media executive	3	8-10	0.40	1.20	14.40



08.	Social Media designers	5	8-10	0.40	2.00	24.00
	TOTAL	14			10.20	122.40

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The following are the details and number of employees required in the sales and marketing division along with their cost estimates.

(Amount in lakhs)

S. No	Department/	Quantity	Years of	Salary	Amount	Amount for
	Designation		experience*	( <b>p.a.p.p.</b> )	per	12 months
					month	
01.	Vice president business	1	15- 20	6.00	6.00	72.00
02.	Head of sales and	1	15- 20	3.50	3.50	42.00
	acquisitions					
03.	Sales manager	1	15- 20	1.50	1.50	18.00
04.	Content acquisition	1	15- 20	1.50	1.50	18.00
	manager					
05.	Sales executive	5	10-12	2.00	10.00	120.00
06.	Content acquisition	2	10-12	1.00	2.00	24.00
	executive					
07.	Business development	1	10-12	2.50	2.50	30.00
	and sales					
08.	Legal and contract	1	10-12	1.50	1.50	18.00
	management associates					
	TOTAL	13			28.50	342.00

<sup>\*</sup>The actual Years of experience can variate from the above mentioned.

The quotations for hiring personnels cannot be provided. Hence the basis of salary estimates is provided below:

## Basis of Salary estimations:

The projected salaries for personnel to be engaged by the company, as outlined above, are derived from the industry's prevailing market standards. These estimates are based on the average compensation structures within the industry and the existing salary benchmarks for employees within the company's technology department. We have considered report published by Michael Page International Recruitment Pvt Ltd called "Page Insights India Salary Guide 2023" and Persolkelly India Private Limited called "India Salary Guide 2023 Permanent Hiring" in which industry average has been provided for employees involved in various services including IT or "non-IT segment" for employees.

# 4. Working Capital Requirements:

Our Company proposes to utilize Rs. 5000 Lakhs towards funding its working capital requirements in the ordinary course of business. With the increase in our revenue, we expect our working capital requirements to increase. In the ordinary course of business, we fund our working capital needs through internal accruals. Our Company, in order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.



# Basis of Estimation, assumptions and justification of working capital requirements

The estimates of the working capital requirements for the financial years ending on March 31, 2024, and March 31, 2025, have been prepared based on the management estimates of future financial performance. The projection has been prepared using a set of assumptions that include assumptions about future events and management's actions that are not necessarily expected to occur. On the basis of existing and estimated working capital requirements of our Company on standalone basis, and assumptions for such working capital requirements. The proposed funding of such working capital requirements as set forth below:

(Amount in Lakhs)

Particulars	March 31,	March	March 31,	September	March 31,	March
	2021	31, 2022	2023	30, 2023	2024	31, 2025
	(Audited)	(Audited)	(Audited)	(Audited)	(Estimated)	(Projected)
Current Assets						
Trade Receivables	103.01	187.94	455.89	385.11	475.00	712.50
Inventories	1682.59	3071.26	4968.41	4524.03	5500.00	8250.00
Other Current	466.49	229.68	241.06	173.06	327.00	2990.00
Assets						
Cash & Cash	388.81	961.39	941.37	771.18	875.00	980.00
Equivalent						
Total	2640.90	4450.27	6606.73	5853.38	7177.00	13265.50
Current						
Liabilities						
Trade Payables	1476.24	2354.64	2301.54	1811.01	1950.00	2145.00
Other Current	983.88	1342.18	1883.62	900.57	1025.00	1127.50
Liabilities						
Short Term	57.98	168.21	619.79	1032.31	1800.00	1980.00
Provisions						
Total	2518.10	3865.03	4804.95	3743.89	4775.00	5250.50
WC Requirement	122.80	585.24	1801.78	2109.49	2402.00	8013.00
Internal	122.80	585.24	1801.78	2109.49	2252.00	3163.00
Accruals**						
IPO Proceeds		-	-	-	150.00	4850.00

<sup>\*</sup>Figures are Tentative

# Basis of Estimation and Key Assumptions for working capital projections made by Company:

(In days)

						( ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '
Particulars	March 31, 2021	March 31, 2022	March 31, 2023	Septemb er 30,	March 31, 2024	March 31, 2025 (P)
	(A)	(A)	(A)	2023 (A)	I	
Trade Receivables	14	15	18	24	14	13
Inventory	238	271	251	392	223	209

<sup>\*\*</sup>Internal Accruals include funds raised from issue of shares, cash accruals for the year and short-term debt, if any.



Other Current Assets	62	18	9	11	10	55
Current Assets	313	304	278	427	247	277
Days						
Trade Payables	209	208	116	157	79	54
Other Current	139	118	95	78	42	29
Liabilities						
Short Term	8	15	31	89	73	50
Provisions						
Current Liabilities	356	341	242	324	194	133
Days						
Working Capital	-	-	36	103	53	144
Days						

The total working capital requirements for FY 2020-21, FY 2021-22 and FY 2022-23 were Rs. 122.80, 585.24 and 1801.78 lakhs respectively. The amount of Working Capital Requirement in Stub Period ending 30<sup>th</sup> September 2023 stood at Rs. 2109.49 Lakhs. It is estimated that in FY 2023-24, the working capital requirement is Rs. 2402 Lakhs & projected that for FY 2024-25 it shall be Rs. 8013 Lakhs. For FY 2023-24, FY 2024-25 and FY 2025-26, Rs. 150 Lakhs Rs. 4850 Lakhs respectively shall be sourced through IPO proceeds & the rest amount will be sourced from internal accruals and borrowings.

#### Justification:

## **Current Assets**

#### **Trade Receivables:**

The dataset provided in the preceding information consistently reveals discernible patterns and valuable insights related to the company's Trade Receivables. This information is vital for assessing the company's financial performance, as it underscores the mechanisms by which revenue is acquired and the timing associated with these acquisitions. Understanding these patterns enables the company to effectively manage its cash flow and make informed financial decisions.

Particulars	UOM	March	March	March	Stub Sept	March	March
		31, 2021	31, 2022	31, 2023	30, 2023	31, 2024 I	31, 2025
		(A)	(A)	(A)	(A)		( <b>P</b> )
Trade	Rs.	103.01	187.94	455.89	385.11	475.00	712.50
Receivable	Lakhs						
Change in	Rs.	-	+84.93	+267.95	-70.78	+89.89	+237.50
Amount	Lakhs						
Trade	Days	14	15	18	24	14	13
Receivable							
Change in	Days	-	+1	+3	+6	-10	-1
Days							

From fiscal year 2020-21, 2021-22 & 2022-23, company's Trade Receivables were Rs. 103.01 Lakhs, Rs. 187.94 Lakhs & Rs. 455.89 Lakhs respectively. For stub period 30<sup>th</sup> September 2023, the amount was Rs. 385.11 Lakhs which stood at 24 days of revenue. This suggests that the company was effectively managing its receivables during this period with settlement from payment processors also on time, possibly due to its advance payment model in the B2C segment.



# **Projected Period:**

The data projects an increase in Trade Receivables i.e. Rs. 89.89 lakhs in March 31, 2024, and an increase of Rs. 237.50 lakhs by March 31, 2025. This projection is based on an assumption of 13 days of outstanding debt for both the estimated and projected years. This assumption aligns with the company's sales revenue collection pattern.

Despite this increase, the company's efficient collection process has kept the number of days it takes to collect payments relatively stable, which is indicative of sound financial management practices.

# **Inventories**

Inventories include rights of web series, shows etc.

Particulars	UOM	March 31, 2021	March 31, 2022	March 31, 2023	Septembe r 30, 2023	March 31, 2024 I	March 31, 2025
		(A)	(A)	(A)	<b>(A)</b>		<b>(P)</b>
Inventory	Rs.	1682.59	3071.26	4968.41	4524.03	5500.00	8250.00
	Lakhs						
Change in	Rs.	-	1388.67	1897.15	-444.38	975.97	2750.00
Amount	Lakhs						
Inventory	Days	238	271	251	392	223	209
Change in	Days		+33	-20	141	-169	-14
Days							

# **Other Current Assets**

Other Current Assets include Advance payment of taxes & Other Current Assets

Particulars	UOM	March 31, 2021	March 31, 2022	March 31, 2023	Septembe r 30, 2023	March 31, 2024 I	March 31, 2025
		(A)	(A)	(A)	(A)		( <b>P</b> )
Other	Rs.	466.49	229.68	241.06	173.06	327.00	2990.50
Current	Lakhs						
Assets							
Change in	Rs.	-	-236.81	+11.38	-68	153.94	2663.50
Amount	Lakhs						
Other	Days	62	18	9	11	10	55
Current							
Assets							
Change in	Days		-44	-9	+2	-1	+45
Days							

The Other Current Assets includes:

a. Prepaid Expenses (includes Advances to Suppliers, Advances to Employees etc.) – A lot of content creators, producers etc which are paid in advance at times to engage them thoroughly or get better rates on advance payments.



b. Other Current Assets i.e. "OCA" (Includes Advance Taxes Paid, Input Credit Available, TDS Receivable, Security Deposit etc.)

In the fiscal year 2020-21, the company reported OCA amounting to Rs. 466.49 lakhs. This figure decreased to Rs. 229.68 lakhs in the fiscal year 2021-22 and then increased to Rs. 241.06 lakhs in the fiscal year 2022-23. Additionally, in the stub period ending on September 30, 2023, it decreased to Rs. 173.06 lakhs.

Bifurcation of OCA for audited financial is as follows:

Particulars (Rs. Lakhs)	March 31, 2021	March 31, 2022	March 31, 2023	Stub Sept 30,
	(A)	(A)	(A)	2023 (A)
Prepaid Expenses	345.11	126.41	105.28	165.12
Other Current Assets	121.38	103.27	135.78	7.94
TOTAL	466.49	229.68	241.06	173.06

It's worth noting that the amounts related to Prepaid Expenses grew significantly in the stub period. This is attributed to the company's plans to introduce new content, collaborations etc.

Looking ahead, the company is preparing for substantial growth through an Initial Public Offering (IPO) to raise capital. This IPO is expected to lead to a significant surge in revenue and a corresponding increase in profits. As part of this expansion strategy, the company anticipates that its Other Current Assets will also expand.

The projected revenue and profit growth will require the company to account for deferred revenue and advance payments to suppliers more extensively. These actions are intended to secure favorable pricing, ensure the availability of domestic and international and recruit high-quality personnel. Consequently, it is expected that the balances in Other Current Assets will reach Rs. 475 lakhs, 712.50 lakhs and Rs. 783.75 lakhs in the fiscal years 2023-24, 2024-25 and 2025-26 respectively. This strategic approach reflects the company's proactive management of financial resources to effectively support its growth plans.

## **Current Liabilities**

## **Trade Payables**

Particulars	UOM	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)	Stub September 30, 2023 (A)	March 31, 2024 I	March 31, 2025 (P)
Trade Payables	Rs. Lakhs	1476.24	2354.64	2301.54	1811.01	1950.00	2145.00
Change in Amount	Rs. Lakhs	-	+878.41	-53.10	-490.53	+138.99	+195.00
Trade Payables	Days	209	208	116	157	79	54
Change in Days	Days		-1	-92	+41	<i>-78</i>	-25

The trade payables for the period fiscal year 2020-21, 2021-22, 2022-23 & stub period 30<sup>th</sup> September 2023 were Rs. 1476.24 Lakhs, Rs. 2354.64 Lakhs, Rs. 2301.54 Lakhs & Rs. 1811.01 Lakhs respectively. These formed payable days of 209 days, 208 days, 116 days & 157 days respectively.



#### **Projected Period:**

It is anticipated that the company's creditor days, which represent the average time it takes to pay its suppliers, will be 54 days for both of the projected years.

In summary, the company's trade payables have fluctuated over the years. This projection helps the company plan its financial commitments and maintain a favorable supplier relationship by ensuring timely payments while meeting customer demand for course materials.

It's essential that we strike a balance between ensuring we have the resources we need to operate effectively and efficiently, while also maintaining a healthy financial position by managing our trade payables effectively. Our ability to do so will directly impact our financial stability and profitability in the long run.

# **Other Current Liabilities & Short-Term Provisions**

Particulars	UOM	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)	Stub September 30, 2023 (A)	March 31, 2024 I	March 31, 2025 (P)
Other Current	Rs.	983.88	1379.73	1883.62	900.57	1025.00	1127.50
Liabilities	Lakhs						
Short Term	Rs.	57.98	168.40	619.79	1032.31	1800.00	1980.00
Provisions	Lakhs						
Total	Rs.	1041.86	1548.13	2503.41	1932.88	2825.00	3107.50
	Lakhs						

Firstly, it should be noted that Other current liability includes Advances from Customers & Other Current Liabilities. The financial data provided shows the evolution of a company's Other Current Liabilities and Short-Term Provisions over several years, including actual, estimated, and projected figures. Here is a summarized analysis with reasons:

#### Other Current Liabilities:

The Other Current Liabilities (OCL) have exhibited substantial fluctuations in recent years. It increased to Rs. 983.88 lakhs in 2021 to Rs. 1342.18 lakhs in 2022, Rs. 1883.62 lakhs in 2023. Furthermore, this amount decreased to Rs. 1025.00 lakhs in 2024 and reached Rs. 1127.50 lakhs in 2025. This notable increase is primarily due to the growth in advances from customers.

The company's business model involves receiving advances for subscriptions they offer, which are typically delivered over a specific time frame. As a result, when they sell a subscription, the payments received for services that are yet to be provided are recorded as advances from customers. This accounting practice explains the substantial rise in Other Current Liabilities as these advances accumulate over time.



#### **Short Term Provisions**

As the company's turnover and profits have grown, the amount of income tax owed has increased over time. Company's provision for tax was Rs. 57.98 lakhs, 168.21 lakhs and 619.03 lakhs for FY 2020-21, 2022-23 and 2023-24 respectively. For the stub period ended 30<sup>th</sup> September 2023 the provision for tax 1031.54 lakhs. For the projected period, it is expected to reach Rs. 1980 Lakhs in 2025.

# a. <u>Justification for Increase in working capital in FY 2023 & Stub Period 30<sup>th</sup> September 2023</u>

(Amount in Lakhs)

Particulars	March 31, 2023	Stub September 30, 2023
	(Audited)	(Audited)
Current Assets		
Trade Receivables	455.89	385.11
Inventory	4968.41	4524.03
Other Current assets	241.06	173.06
Cash & Cash Equivalent	941.37	771.18
Total	6606.73	5853.38
Current Liabilities		
Trade Payables	2301.54	1811.01
Other Current Liability	1883.62	900.57
Short Term Provision	619.79	1032.31
Total	4804.95	3743.89
WC Requirement	1801.78	2109.49
		This is only for 6-month period

It's important to highlight that substantial increase in Current Assets can be attributed to two key components: a) Prepaid Expenses, and b) Inventories.

Categorizing these elements, prepaid expenses denote costs not yet recorded as expenses but have been pre-paid. Inventory means IP rights and exploitation rights of the contents created by the company.

Linking these financial aspects to the company's operations, expenditures are distributed across three main categories:

- Daily operations involve salaries, wages, rentals, commissions, professional expenses, software systems for content delivery & customer support and modifications to existing content.
- Expenses for developing new content including hiring of actors, story writers, producers etc.
- Marketing and advertisement for both existing and new content, including brand development & extensive performance-based marketing.

Given these details, it's clear that prepaid expenses are predominantly associated with the creation of new TV shows, web series planned for future years.



There are plans to launch numerous web-series, TV shows etc in various segments such as fiction, non-fiction, mythology etc. in FY 2024 and FY 2025. Thus, the inclusion prepaid expenses in current assets primarily reflects the ongoing investment in content development for these contents. Cash & Cash Equivalent supports the working capital demand and for daily operations of the company. It can also be seen that the actual working capital requirement is fulfilled by the available cash in the company.

Similarly, the increase in current liabilities is primarily due to a) Advance from customers and b) Income Tax Provision. It's worth noting that many of the company's subscription have mid to long-term durations ranging from 6 months to 1 year with some more than 1 year. The amounts received from customers for courses where subscription will be completed in future years are categorized as advance from customers, constituting a liability to the company.

The company is profitable from FY 2020, from better accounting practice and achieving better operating margins on each user cost of acquisition. The provision for taxes is essential, aligning with future payments of advance taxes that will become part of current assets. In FY 2023, the company generated revenue of Rs. 9356.16 Lakhs, with a stub period revenue of Rs. 5850.23 Lakhs as of September 30, 2023.

# b. Significant increase in working capital gap for the projected period.

(Amount in Lakhs)

Particulars	March 31, 2024	March 31, 2025
	(Estimated)	(Projected)
Current Assets		
Trade Receivables	475.00	712.50
Inventory	5500.00	8250.00
Other Current Assets	327.00	2990.50
Cash & Cash Equivalent	875.00	1312.50
Total	7177.00	13265.50
Current Liabilities		
Trade Payables	1950.00	2145.00
Other Current Liabilities	1025.00	1127.50
Short Term Provisions	1800.00	1980.00
Total	1,295.82	5250.50
WC Requirement	2402.00	8013.00
Internal Accruals**	2252.00	3163.00
IPO Proceeds	150.00	4850.00
Revenue (Rs. Lakhs)	12500.00	20000.00

The company anticipates a total revenue of Rs. 12500 Lakhs for the fiscal year 2024 and Rs. 20000 Lakhs for the fiscal year 2025. This growth is attributed to key factors:

- Creation of new and unique content in fiction, non-fiction, mythology category etc.
- Acquiring rights of international content for showcasing on the app.
- To Increase the presence of the Ullu app in both the Indian and international markets.



As of September 30, 2023, the company has achieved total revenue of Rs. 5850 Lakhs. The funds raised from IPO will be strategically allocated to marketing and branding, acquisitions for inorganic growth, development of new content, and working capital. The working capital will primarily be utilized for:

- Enhancing content library by introducing new contents.
- Making advance payments for expenses related to these courses to secure better pricing and discounts.
- Increasing Manpower to create new content material to have overall seamless customer experience.
- Advertising and marketing courses through various channels, including digital marketing, SEO,
   Facebook, and LinkedIn marketing, and featuring accredited faculties and celebrities in respective fields to share their experiences.
- Paying advance taxes for future years.

#### Conclusion

Summarizing the entire data set on working capital requirements, despite the company's current ability to receive most payments in advance, it is planning to expand its operations by introducing new content. Simultaneously, the company will be more stringent in making payments to its creditors. As a result, the increased working capital needs will be addressed through funds generated from the IPO.

## 5. General Corporate Purpose

Our Company intends to deploy the balance gross Proceeds aggregating Rs. [•] Lakh for General Corporate Purposes subject to such utilization not exceeding 25% of the net Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

# 6. Issue Related Expenses

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

(Rs. In Lakh)

S.No.	Particulars	Amount (Rs. In Lakhs)	% of Total Expenses
1	Book Running Lead manager(s) fees including	[●]	[●]
	underwriting commission.		
2	Brokerage, selling commission and upload fees.	[•]	[●]
3	Registrars to the issue	[●]	[●]
4	Legal Advisors	[●]	[●]
5	Printing, advertising and marketing expenses	[•]	[●]
6	Regulators including stock exchanges	[•]	[●]
7	Others, if any	[•]	[•]
	(Advisors to the company, Peer Review Auditors, and		
	other misc. expenses like printing & stationery etc.)		



Total	[●]	[•]

- 1. As per the certificate dated February 07, 2024, given by M/s Jain V & Co., Chartered Accountant, peer review auditor of the company, the company has incurred a sum of Rs. 11,50 Lakhs towards issue expenses till date.
- 2. Selling commission payable to the members of the CDPs, RTA, SCSBs on the portion of RII, NII would be as follows:
  - a. Portion for RIIs 0.01% (exclusive of GST)
  - b. Portion for NIIs 0.01% (exclusive of GST)
- 3. Percentage of the amount received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares and the Issue Price)
- 4. The members of RTA and CDPs will be entitled to application charges of Rs. 5/- (plus applicable taxes) as per valid allotment. The terminal from which the application form has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- 5. Registered Brokers will be entitled to a commission of Rs. 5/- (plus applicable taxes), per allotment, procured from RII, NII and submitted to the SCSBs for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- 6. SCSBs would be entitled to a processing fee of Rs. 5/- (Plus applicable taxes) for processing the application forms, for valid allotments, procured by the members of the Registered Brokers, RTAs and CDPs and submitted to them.
- 7. The Sponsor Bank shall be entitled to a maximum fee up to Rs. 9/- (Rupees Nine Only) per valid Bid cum Application Form plus applicable taxes.

#### MEANS OF FINANCE

(Rs. In Lakh)

Particulars	<b>Estimated Amount</b>
IPO Proceed	[•]

#### APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

## SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(Rs. In Lakh)

S.	Particulars	Amount to	Expenses	Estimated	Estimated
No.		be funded	incurred till	Utilisation	Utilisation
		from Net	February	of Net	of Net
		Proceeds	07, 2024	Proceeds	Proceeds
				(F.Y. 2023-	(F.Y. 2024-
				24)	25)
1	Production of new content	3000.00	Nil	[•]	[●]
2	Purchase of International Shows	2000.00	Nil	[•]	[•]



3	Purchase of State-of-the-art	1500.00	Nil	[•]	[●]
	Equipment and Hiring of Staff				
4	Working Capital Requirement	5000.00	Nil	[•]	[•]
5	General Corporate Purposes	[●]	Nil	[•]	[•]
6	Issue Expenses#	[●]	11.50		
	Total	[•]	[•]	[•]	[•]

<sup>\*</sup>Figures are tentative

To the extent our Company is unable to 124inaliz any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## **DEPLOYMENT OF FUNDS**

The Company has received the Sources and Deployment Funds Certificate dated February 07, 2024, from M/s Jain V. & Co., Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 11.50 Lakhs as on February 07, 2024.

#### INTERIM USE OF FUNDS

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

## **BRIDGE FINANCING FACILITIES**

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

#### MONITORING UTILIZATION OF FUNDS

In accordance with Regulation 262 (1) of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the 124inalizatio of Net Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Fresh Issue size exceeds ₹ 10,000 Lakhs. Our Audit Committee and the Monitoring Agency will monitor the 124inalizatio of the Net Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures

<sup>\*\*</sup>As per the certificate dated February 07, 2024, given by Peer review Auditor of the company, M/s, Jain V. & co., Chartered Accountants, the company has incurred a sum of Rs. 11.50 lakhs towards the issue expenses.



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. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half-yearly basis, a statement indicating (i) deviations, if any, in the actual 125inalizatio of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual 125 inalizatio of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. We will disclose the 125inalizatio of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain 125inalizati clearly specifying the purpose for which such Net Proceeds have been 125 inaliza. Our Company will indicate investments, if any, of 125inalizati Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice or E-Voting) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

#### OTHER CONFIRMATIONS

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled Our Promoters, Our Promoters Group and Our Management as mentioned on page nos. 237, 242 and 218 of this Draft Red Herring Prospectus.

This space has been left blank intentionally.



#### **BASIS FOR ISSUE PRICE**

The Issue Price of Rs. [●] /- per Equity Share has been determined by our Company, in consultation with the BRLM on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10/-and Issue Price is Rs. [●] /- per Equity Share.

#### **QUALITATIVE FACTORS**

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

- 1. Good track record.
- 2. Leveraging the experience of our Promoters.
- 3. Experienced management team and a motivated and efficient work force.
- 4. Quality assurance and control.
- 5. Quality Deliverables.
- 6. Adaption to advanced technology.

For further details, refer to the heading chapter titled Our Business beginning on page 167 of this Draft Red Herring Prospectus.

## **QUANTITATIVE FACTORS**

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

# 1. Basic & Diluted Earnings Per Share (EPS):

Financial Year	EPS (Basic & Diluted)	Weight
2022-23	27.47	3
2021-22	392.89	2
2020-21	125.71	1
Weighted Average EPS		165.65
September 30, 2023		22.00

<sup>\*</sup>Not Annualized

#### Note:

- a) EPS Calculations have been done in accordance with IND AS Earning per share issued by the Institute of Chartered Accountants of India.
- b) Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period.
- c) Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- d) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.



# 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [•] /- per Equity Share of face value Rs. 10/- each fully paid up.

Particulars	P/E
	Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-2023	[•]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-2022	[•]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-2021	[•]
P/E ratio based on the Weighted Average EPS, as restated	[•]

<sup>\*</sup>Not Annualized

## **Industry P/E**

Highest	82.10
Lowest	6.99
Average	39.65

<sup>\*</sup>Money control

## 3. Return on Net Worth (RONW)

Financial Year	Return on Net Worth (%)	Weight
2022-23	72.79%	3
2021-22	69.38%	2
2020-21	73.94%	1
Weighted Average		71.85%
September 30, 2023		33.44%

<sup>\*</sup>Not Annualized

#### Note:

- a) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- b) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
- c) Net worth is aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.

# 4. Net Asset Value per Equity Share

Particulars	Net Asset Value (NAV) in Rs.
2022-23	37.74
2021-22	566.33
2020-21	170.02
NAV Post-Issue	
- At Floor Price	[•]
- At Cap Price	[•]
- Issue Price	[•]

Note: Net Asset Value has been calculated as per the following formula:

NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of



Equity shares outstanding during the year or period.

# 5. Comparison with industry peers

#	Name of the company	Face Value (Per Share)		EPS (Rs)	P/E Ratio	RONW (%)	NAV (Rs. Per share)	PAT (Rs. In Lakhs)	
1	Ullu Digital Limited	10	[•]	27.47	[●]	72.79%	37.74	1,511.06	
	Peer Group*								
2	Shemaroo Entertainment Limited	10	173.55	2.68	64.76	1.22%	219.17	728.32	
3	Zee Entertainment Enterprises Limited	1	193.30	1.71	113.04	1.69%	101.10	16,390	

Note: Industry Peers may be modified for 128 inalization of Issue Price before filing Draft Red Herring Prospectus with ROC.

#### Notes:

- Considering the nature and turnover of business of the Company the peers are not strictly comparable. However, the same have been included for broader comparison.
- The figures for Ullu Digital Limited are based on the restated results for the year ended March 31, 2023.
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2023.
- Current Market Price (CMP) is the closing price of respective scrip as on 08 February 2024.

For further details see section titled Risk Factors beginning on page 29 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 252 of this Draft Red Herring Prospectus for a more informed view.

## Key financial and operational performance indicators ("KPIs")

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated February 10, 2024. Further, the KPIs herein have been certified by Jain V. & Co. Chartered Accountants, by their certificate dated February 08, 2024, vide UDIN 24100216BKCZLY5662. Additionally, the Audit Committee on its meeting dated February 10, 2024, have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of the Draft Red Herring Prospectus.

For further details of our key performance indicators, see "Risk Factors, "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 167 and 296 respectively. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on pages 2. Our Company confirms that it shall continue to disclose all the KPIs included in this section "Basis for Offer Price", on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.



1. Key metrics like revenue growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.

#### **KPI** indicators

(Amount in lakhs, except EPS, % and ratios)

Particulars	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Revenue from operations (1)	5,833.61	9,314.55	4,682.68	2,756.73
Growth in Revenue from Operations (2)	-	98.91%	69.86%	-
EBITDA (3)	1,691.49	2,228.37	655.68	325.46
EBITDA (%) Margin (4)	29.00%	23.92%	14.00%	11.81%
EBITDA Growth Period on Period (5)	-	239.86%	101.46%	-
ROCE (%) (6)	42.73%	94.63%	91.92%	95.01%
Current Ratio (7)	1.95	1.41	1.11	1.02
Operating cash flow (8)	-481.99	167.68	582.01	386.13
PAT <sup>(9)</sup>	1,227.80	1,511.06	392.89	125.71
ROE/ RoNW (10)	33.44%	72.79%	69.38%	73.94%
EPS (11)	22.00	27.47	392.89	125.71

#### Notes:

<sup>(11)</sup> EPS is mentioned as EPS for the period

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue
	profile of the business and in turn helps to assess the overall financial
	performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth
	rate i.e. Rate at which Company's revenue are growing on annual basis.
EBITDA	EBITDA provides information regarding the operational efficiency of the
	business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and
	financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the
	capital employed in the business.
Current Ratio	Current ratio indicate the company's ability to bear its short term obligations

<sup>(1)</sup> Revenue from operations is the total revenue generated by our Company.

<sup>(2)</sup> Growth in Revenue from operations in percentage, Year on Year

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

<sup>(4)</sup> EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(5)</sup> EBITDA Growth Rate Year on Year in Percentage

<sup>(6)</sup> ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt

<sup>(7)</sup> Current Ratio: Current Asset over Current Liabilities

<sup>(8)</sup> Operating Cash Flow: Net cash inflow from operating activities.

<sup>(9)</sup> PAT is mentioned as PAT for the period

<sup>(10)</sup> ROE/RoNW is calculated PAT divided by shareholders' equity



Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash
	from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available
	to equity shareholders
ROC/RoNW	ROC/RoNW (%) is an indicator which shows how much company is
	generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the
	Company for the period

#### 2. GAAP Financial Measures

GAAP Financial measures are numerical measures which are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS") notified in accordance with Section 133 of the Companies Act, 2013, as amended (the "Act"). These measures are generally disclosed in the financial statements of the issuer company.

Particulars	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Revenue from operations	5,833.61	9,314.55	4,682.68	2,756.73
Profit after tax	1,227.80	1,511.06	392.89	125.71
Cash flow from operating activities	(481.99)	167.68	582.01	386.13
Cash Flow from investing activities	(29.62)	(133.83)	(44.63)	(125.65)
Cash Flow from financing activities	341.42	(53.87)	35.20	24.13
Net Change in Cash and cash	(170.19)	(29.47)	572.58	284.61
equivalents				

#### 3. Non- GAAP Financial measures

Non-GAAP Financial measures are numerical measures of the Technical Guide on Disclosure and reporting of KPIs issuer company's historical financial performance, financial position, or cash flows that:

- i. Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- ii. Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labelled "Adjusted Net Income," is a Non-GAAP Financial measure.



(in ₹ Lakhs, except %)

Particulars	30-09-2023	31-03-2023	31-03-2022	31-03-2021
EBITDA	1,691.49	2,228.37	655.68	325.46
Gross Margin	62.15%	72.45%	68.03%	49.08%
EBITDA Margin	29.00%	23.92%	14.00%	11.81%
Working Capital	3,631.88	2,027.97	465.30	55.40
PAT Margin	21.05%	16.22%	8.39%	4.56%
Net worth	3,671.33	2,075.90	566.33	170.02

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies:

S. No.	Ratio	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a)	Current Ratio	1.95	1.41	1.11	1.02
b)	Debt- Equity Ratio	0.06	0.12	0.48	1.16
c)	Debt Service Coverage Ratio	7.43	9.20	2.47	1.64
d)	Return on equity ratio	43%	114%	108%	117%
e)	Inventory turnover ratio	0.54	0.89	0.81	1.55
f)	Trade Receivables turnover ratio	NA*	0.29	0.65	3.07
g)	Trade Payables turnover ratio	1.30	1.78	1.62	3.07
h)	Net Capital turnover ratio	2.06	7.47	17.99	147.42
i)	Net Profit ratio	21%	16%	8%	5%
j)	Return on Capital Employed	43%	95%	92%	95%
k)	Return on investment	33%	73%	70%	74%

<sup>\*</sup>There was no credit sales during the period under review, amount shown as trade receivable are collectable from Customer on the behalf of company.

Ratio	Explanation
Current Ratio	Current Assets divided by Current Liabilities
Debt-equity ratio	Long Term Debt divided by Net Worth
Debt service coverage	EBIT divided by Finance Cost
ratio	
Inventory turnover ratio	Revenue from operations divided by Average Inventory
Trade receivables	Revenue from Operations divided by Closing Debtors
turnover ratio	
Trade payables turnover	Total Operating Expenses divided by Closing Creditors
ratio	
Net capital turnover ratio	Revenue from Operations divided by Working Capital
Net profit ratio	Profit after Tax divided by Revenue from Operations
Return on equity ratio	Profit after Tax divided by Net Worth
Return on capital	EBIT divided by Net worth Plus Long-Term Debt
employed	



## 4. Comparison of KPI with listed industry peers

#### (Amount in ₹ Lakhs, except %)

	(								
Particulars	Ullu	<b>Digital Lin</b>		Shemaroo	Entertainme	nt Limited	Zee Entertai	nment Enterpi	rises Limited
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21
Revenue									
From	9,314.55	4,682.68	2,756.73	53,504.99	36,800.95	30,518.35	7,42,190.00	7,51,110.00	6,66,535.00
Operation (1)									
Growth in									
Revenue	00.010/	60.960/	226 900/	450/	210/		10/	120/	
from	98.91%	69.86%	236.80%	45%	21%	-	-1%	13%	-
Operation (2)									
EBITDA (3)	2,228.37	655.68	325.46	4,743.40	3,789.83	1,499.66	1,27,910.00	2,06,510.00	4,84,074.00
EBITDA	22.020/	14.000/	11 010/	0.070/	10.200/	4.010/	17.220/	27.400/	72.620/
Margin (4)	23.92%	14.00%	11.81%	8.87%	10.30%	4.91%	17.23%	27.49%	72.63%
PAT (5)	1,511.06	392.89	125.71	728.32	644.82	-1,924.84	16,390.00	1,33,890.00	1,12,074.00
PAT Margin	16.22%	8.39%	4.56%	1.36%	1.75%	-6.31%	2.21%	17.83%	16.81%
Net Worth (8)	2,075.90	566.33	170.02	59,576.46	58,754.43	58,126.33	9,71,130	9,84,770	8,74,763
ROCE (9)	94.63%	91.92%	95.01%	11.02%	5.22%	-95.64%	893.44%	19.84%	53.66%
Current	1.41	1.11	1.02	2.30	2.99	3.07	3.97	4.86	4.02
Ratio (10)	1.41	1.11	1.02	2.30	2.99	3.07	3.97	4.80	4.02
EPS (12)	27.47	392.89	125.71	2.68	2.37	-7.08	1.71	13.94	11.67

<sup>\*\*</sup>All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report

#### **Notes:**

- (1) Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statements/Annual Reports of the respected companies.
- (2) Growth in Total Income (%) is calculated as Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- (4) EBITDA Margin' is calculated as EBITDA divided by Total Income
- (5) EBITDA Growth Rate is calculated period on period.
- (6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (7) Current Ratio: Current Asset over Current Liabilities
- (8) PAT is mentioned as PAT for the period.
- (9) *ROE/RoNW* is the calculated *PAT* divided by shareholders' equity.
- (10) EPS is mentioned as EPS for the period.

# 6. Weighted average cost of acquisition.

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

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this draft red-herring prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and



Date of allotment	No of equity shares allotted	Face value	Issue price	Issue price (Adjusted for Bonus Shares)	Nature of allotment	Nature of considerati on	Total consideration (In Rs.)
On Incorporation	10,000	10	10	3.33	Subscription to MOA	Cash	33,333.33
May 04, 2019	90,000	10	10	3.33	Right Issue	Cash	3,00,000.00
May 03, 2022	9,00,000	10	0	0.00	Bonus Issue	Other than cash	-
February 04, 2023	45,00,000	10	0	0.00	Bonus Issue	Other than Cash	-
July 05, 2023	79,111	10	127	42.33	Private Placement	Cash	33,49,032.33
August 25, 2023	2,10,362	10	127	42.33	Private Placement	Cash	89,05,324.67
	57,89,473						1,25,87,690.33

(b) The price per share of our Company based on the secondary sale/acquisition of shares.

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Weighted average cost of acquisition, floor price and cap price:

Type of transaction	Weighted average cost of acquisition. (₹ per equity shares)	Weighted average cost of acquisition after Bonus shares adjustment. (₹ per equity shares)	Floor Price	Cap Price
Weighted average cost of primary / new issue acquisition	2.25	0.75	[•]	[•]
Weighted average cost of secondary acquisition	127**	N.A.	NA	NA

<sup>\*</sup>Calculated for last 18 months

1. Explanation for Offer Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the Offer.

Not Applicable.

<sup>\*\*</sup>Calculated for Transfer of Equity Shares for the last 18 months.



#### STATEMENT OF TAX BENEFITS

## **Independent Auditor's Report on Statement of Special Tax Benefits**

To,
The Board of Directors,
Ullu Digital Limited
901, Kanchanjunga Building18,
Barakhamba Road, Janpath, Central
Delhi, Delhi-110001, India

Dear Sir,

Sub: Statement of possible Special tax benefit ('the Statement') available to Ullu Digital Limited (formerly known as Ullu Digital Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

We hereby confirm that the enclosed Annexure, prepared by "Ullu Digital Limited" (formerly known as Ullu Digital Private Limited) ('the Company") states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended from time to time, the Central Goods and Services Tax Act,2017, the integrated Goods and Services Tax Act,2017, the State Goods and Services Tax Act as passed by respective State Government from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020. as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23 and 23-24, presently in force in India for inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("RHP") / Prospectus for the proposed Initial Public Offer (IPO) of equity shares of the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated 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 hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

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

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DRHP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

#### Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus or any other issue related material in connection with the IPO of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Signed in terms of our separate report of even date.

For Jain V. & co., Chartered Accountants Firm Registration No. -116306W

Sd/-

Virendra Jain Partner Membership No. – 100216

UDIN: 24100216BKCZLV2627

Place: Mumbai

Date: February 07, 2024



## ANNEXURE TO THE STATEMENT OF TAX BENEFITS:

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced 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 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 Act.

#### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

#### Note:

- 1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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 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.

This space has been left blank intentionally.



#### SECTION V – ABOUT THE COMPANY

#### **INDUSTRY OVERVIEW**

The market information in the report titled "Report on Digital Media Industry" dated December 2023 (the "CARE Report"), prepared and released by CARE Analytics and Advisory Private Limited ("CareEdge"), which has been exclusively commissioned and paid for pursuant to an engagement letter dated December 13, 2023, is arrived at by employing an integrated research methodology which includes secondary and primary research. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. CARE's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. CARE's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry.

Forecasts, estimates and other forward-looking statements contained in the CARE Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. The forecasts, estimates and other forward-looking statements in the CARE Report depend on factors like the recovery of the economy, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

Further, global economic and Indian Economic outlook as well as Global media and entertainment industry as stipulated in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

#### **GLOBAL OUTLOOK**

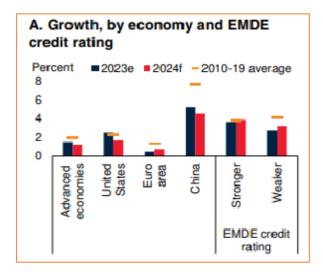
Global economic activity continues to soften, amid the effects of tight monetary policies, restrictive financial conditions, and weak global trade growth. After a sharp slowdown in 2022 and another decline last year, global output growth is set to edge down in 2024, marking the third consecutive year of deceleration. The recent conflict in the Middle East has heightened geopolitical risks and raised uncertainty in commodity markets, with potential adverse implications for global growth. This comes while the world economy is continuing to cope with the lingering effects of the overlapping shocks of the past four years—the COVID-19 pandemic, the Russian Federation's invasion of Ukraine, and the rise in inflation and subsequent sharp tightening of global monetary conditions.

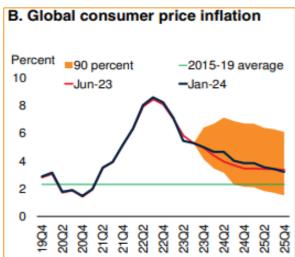


Near-term prospects are diverging (figure A). Growth in advanced economies as a whole and in China is projected to slow in 2024 to well below its 2010-19 average pace. Meanwhile, aggregate growth is set to improve in EMDEs with strong credit ratings, remaining close to pre-pandemic average rates. Although overall growth is also expected to firm somewhat from its 2023 low in EMDEs with weak credit ratings, the outlook for many such countries remains precarious, given elevated debt and financing costs, and idiosyncratic headwinds such as conflict.

Global headline and core inflation have continued to decline from 2022 peaks. Nonetheless, inflation remains above target in most advanced economies and about half of inflation targeting EMDEs. Global inflation is projected to remain above its 2015-19 average beyond 2024 (figure B). Monetary tightening in advanced economies is concluding, but real policy interest rates are expected to remain elevated for some time, as inflation returns to target only gradually. This will keep the stance of advanced-economy monetary policies restrictive in the near-term, following the largest and fastest increase in U.S. real policy rates since the early 1980s.

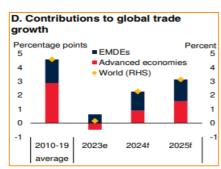
Long-term yields on advanced-economy government bonds were volatile in 2023, reflecting shifting expectations about the path of future interest rates and sizable movements in term premia. Although yields have retreated from their late-October peaks, they still imply increased fiscal vulnerabilities, given that median global government debt has risen by 20 percentage points of GDP since 2007, when U.S. yields were last at their current levels. The drag on growth from monetary tightening is expected to peak in 2024 in most major economies, assuming an orderly evolution of broader financial conditions. Thus far, headwinds to growth from elevated interest rates have been offset, to some degree, by households and firms spending out of savings buffers, resilient risk appetite, and extended maturities on stocks of low-cost debt, as well as by expansionary fiscal policy in some cases, most notably the United States.

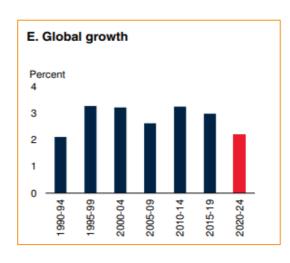






Global trade growth in 2023 was the slowest outside global recessions in the past 50 years, with goods trade contracting amid anemic global industrial production. Services trade has continued to recover from the effects of the pandemic, but at a slower pace than previously expected. Global trade growth is projected to pick up to 2.3 percent in 2024, partly reflecting a recovery of demand for goods and, more broadly, in advanced-economy trade (figure D).



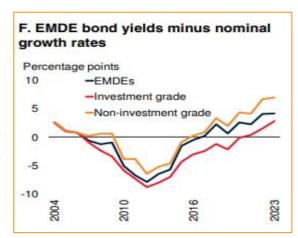


The recent conflict in the Middle East has so far had only a muted impact on commodity prices. In 2023 as a whole, most commodity prices weakened to varying degrees; however, they remain above pre-pandemic levels. Despite recent volatility triggered mainly by the conflict, and assuming hostilities do not escalate, average oil prices in 2024 are projected to edge down as global growth weakens and oil production increases. Metal prices are set to decline again as the slower growth in China further weighs on metal demand. Food prices are expected to soften further this year amid ample supplies for major crops but remain elevated.

Over 2020-24, the forecast entails the weakest start to a decade for global growth since the 1990s—another period characterized by geopolitical strains and a global recession (figure E). Global growth is projected to pick up to 2.7 percent in 2025, as inflation continues to slow, interest rates decline, and trade growth firms.

Advanced-economy growth is set to bottom out at 1.2 percent in 2024 as growth in the United States slows, while euro area growth, which was feeble last year, picks up slightly as lower inflation boosts real wages. In 2025, growth in advanced economies is forecast to pick up to 1.6 percent as the euro area continues to recover and U.S. growth edges up toward its long-term trend rate amid declining inflation and more supportive monetary policy.

Growth in EMDEs is forecast to average 3.9 percent a year over 2024-25. China's growth is expected to slow notably this year, as tepid consumer sentiment and a continued downturn in the property sector weigh on demand and activity. Excluding China, EMDE growth is set to firm from 3.2 percent in 2023 to 3.5 percent this year and 3.8 percent in 2025. This pickup reflects a rebound in trade and improving domestic demand in several large economies, as inflation continues to recede. Nonetheless, elevated borrowing costs will continue to squeeze fiscal space in EMDEs:



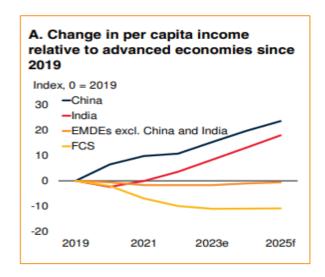
U.S. dollar-denominated bond yields are well above the growth rates of nominal GDP in many countries, especially those with weaker creditworthiness (figure F). Although growth in low-income

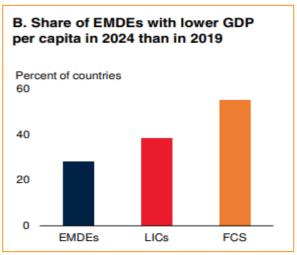


countries (LICs) is forecast to firm, this will follow a feeble recovery from 2020, with violence and political instability in some countries curtailing activity last year.

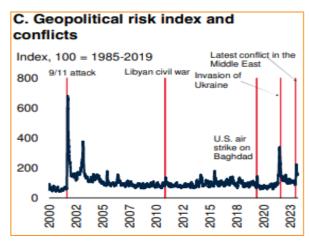
In all, the EMDE recovery from the 2020 pandemic recession remains modest. This reflects the negative effects of headwinds such as tight global financial conditions, a weak recovery in global trade, sharp domestic monetary tightening to tame inflation, the marked slowdown in China, and increased conflict. It also reflects the longer-term downtrend in EMDE potential growth, including in China, due to decelerating investment and productivity growth, slowing labor force growth amid population aging, and the diminishing growth benefits of improvements in education and health.

Aggregate EMDE output is projected to continue following a lower path than was expected before the pandemic. As such, progress closing the gap in per capita income with advanced economies will remain limited, with EMDEs excluding China and India making no relative gains between 2019 and 2025 (figure A). Many vulnerable EMDEs are falling further behind—this year, per capita income is forecast to be below its 2019 level in over one third of LICs and more than half of countries marred by fragility and conflict (figure B).





Risks to the outlook remain tilted to the downside, although they have become somewhat more balanced since June, following continued declines in inflation and the stabilization of advanced-economy banking systems after stresses early last year. The recent conflict in the Middle East, coming on top of Russia's invasion of Ukraine, has sharply heightened geopolitical risks (figure C). Intensification of these conflicts, or increasing geopolitical tensions elsewhere, could have adverse global repercussions through commodity and financial markets, trade, and confidence.



Recent attacks on commercial vessels transiting the Red Sea have already started to disrupt key shipping routes, eroding slack in supply networks and increasing the likelihood of inflationary bottlenecks. In a setting of escalating conflicts, energy supplies could also be substantially disrupted, leading to a spike in energy prices. This would have significant spillovers to other commodity prices and heighten geopolitical and economic uncertainty, which in turn could dampen investment and lead to a further



weakening of growth.

	0004	0000	0000	00046	00051	0000	00047	00057
World	6.2	3.0	2023e 2.6	2024f 2.4	2025f 2.7	2023e 0.5	2024f 0.0	2025f -0.3
	5.5	2.5				0.8	0.0	
Advanced economies United States	5.8	1.9	1.5 2.5	1.2 1.6	1.6 1.7	1.4	0.0	<b>-0.6</b> -0.6
Euro area	5.9	3.4	0.4	0.7	1.6	0.0	-0.6	-0.6
Japan	2.6	1.0	1.8	0.7	0.8	1.0	0.2	0.7
•	7.0	3.7	4.0	3.9	4.0	0.0	0.2	0.2
Emerging market and developing economies East Asia and Pacific	7.5	3.4	5.1	4.5	4.4	-0.4	-0.1	-0.1
China	8.4	3.0	5.2	4.5	4.3	-0.4	-0.1	-0.1
Indonesia	3.7	5.3	5.0	4.9	4.9	0.1	0.0	-0.1
Thailand	1.5	2.6	2.5	3.2	3.1	-1.4	-0.4	-0.1
Europe and Central Asia	7.1	1.2	2.7	2.4	2.7	1.3	-0.4	0.0
Russian Federation	5.6	-2.1	2.6	1.3	0.9	2.8	0.1	0.0
Türkiye	11.4	5.5	4.2	3.1	3.9	1.0	-1.2	-0.2
Poland	6.9	5.1	0.5	2.6	3.4	-0.2	0.0	0.2
Latin America and the Caribbean	7.2	3.9	2.2	2.6	2.5	0.7	0.0	-0.1
Brazil	5.0	2.9	3.1	1.5	2.2	1.9	0.3	-0.1
Mexico	5.8	3.9	3.6	2.6	2.1	1.1	0.7	0.1
Argentina	10.7	5.0	-2.5	2.7	3.2	-0.5	0.4	1.2
Middle East and North Africa	3.8	5.8	1.9	3.5	3.5	-0.3	0.4	0.5
Saudi Arabia	3.9	8.7	-0.5	4.1	4.2	-2.7	0.8	1.7
Iran, Islamic Rep. 2	4.7	3.8	4.2	3.7	3.2	2.0	1.7	1.3
Egypt, Arab Rep. 2	3.3	6.6	3.8	3.5	3.9	-0.2	-0.5	-0.8
South Asia	8.3	5.9	5.7	5.6	5.9	-0.2	0.5	-0.5
India <sup>2</sup>	9.1	7.2	6.3	6.4	6.5	0.0	0.0	0.0
Bangladesh <sup>2</sup>	6.9	7.1	6.0	5.6	5.8	0.8	-0.6	-0.6
Pakistan ²	5.8	6.2	-0.2	1.7	2.4	-0.6	-0.3	-0.6
Sub-Saharan Africa	4.4	3.7	2.9	3.8	4.1	-0.3	-0.1	0.1
Nigeria	3.6	3.3	2.9	3.3	3.7	0.1	0.3	0.6
South Africa	4.7	1.9	0.7	1.3	1.5	0.4	-0.2	-0.1
Angola	1.2	3.0	0.5	2.8	3.1	-2.1	-0.5	0.0
Memorandum items:								
Real GDP <sup>1</sup>								
High-income countries	5.5	2.8	1.5	1.3	1.8	0.7	0.0	-0.5
Middle-income countries	7.2	3.4	4.3	4.0	4.0	0.1	0.0	-0.1
Low-income countries	4.2	4.8	3.5	5.5	5.6	-1.7	-0.5	-0.4
EMDEs excluding China	6.0	4.2	3.2	3.5	3.8	0.3	0.1	0.0
Commodity-exporting EMDEs	5.2	3.2	2.5	2.9	3.1	0.6	0.1	0.2
Commodity-importing EMDEs	7.9	3.9	4.8	4.4	4.4	-0.2	0.0	-0.1
Commodity-importing EMDEs excluding China	7.2	5.3	4.2	4.2	4.5	0.0	0.0	-0.3
EM7	7.8	3.3	4.9	4.1	4.1	0.2	0.0	-0.1
World (PPP weights) <sup>3</sup>	6.4	3.3	3.0	2.9	3.1	0.3	0.0	-0.3
World trade volume 4	11.1	5.6	0.2	2.3	3.1	-1.5	-0.5	0.1
Commodity prices 5							el difference: e 2023 proje	
WBG commodity price index	100.9	142.5	108.4	104.9	102.2	-1.0	-3.7	-7.6
Energy index	95.4	152.6	107.5	103.4	100.0	-1.4	-5.7	-11.0
Oil (US\$ per barrel)	70.4	99.8	83.1	81.0	78.0	3.1	-1.0	-6.4
Non-energy index	112.1	122.1	110.2	107.7	106.6	-0.2	0.2	-0.9

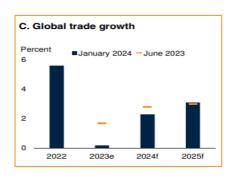
Against this backdrop, global growth is estimated to have weakened last year to 2.6 percent. Although this is 0.5 percentage point higher than last June's forecast, it is mainly due to better-than-expected growth in the United States. Global growth is forecast to slow again, to 2.4 percent in 2024. This deceleration reflects softening labor markets, reduced savings buffers, waning pent-up demand for services, the lagged effects of monetary tightening, and fiscal consolidation.



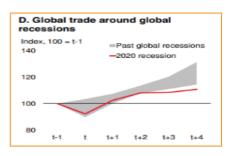
### Global trade:

Global trade in goods and services was virtually flat in 2023, growing by an estimated 0.2 percent—the slowest expansion outside global recessions in the past 50 years. Goods trade contracted last year, reflecting declines in key advanced economies and deceleration in EMDEs, and mirroring the sharp slowdown in the growth of global industrial production. This marked the first sustained contraction in goods trade outside a global recession in the past 20 years (figure A). Reflecting stagnant goods trade and fading pandemicera disruptions, global supply chain pressures have returned to pre-pandemic averages after receding to record lows in mid-2023. Services trade slowed in the second half of 2023, following an initial rebound from the pandemic.





After lagging the pace of global growth in 2023, global trade is projected to pick up to 2.3 percent in 2024, mirroring projected growth in global output (figure C). This reflects a partial normalization of trade patterns following exceptional weakness last year. Goods trade is envisaged to start expanding again, while the contribution of services to total trade growth is expected to decrease, aligning more closely with the trade composition patterns observed before the pandemic.



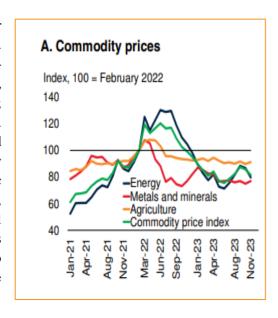
However, in the near term, the responsiveness of global trade to global output is expected to remain lower than before the pandemic, reflecting subdued investment growth. This is because investment tends to be more trade-intensive than other types of expenditures. Global tourist arrivals are expected to return to pre-pandemic levels in 2024, although the recovery is set to lag in some countries where reopening was delayed.

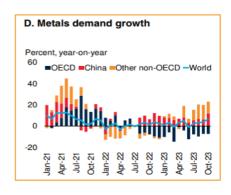
The global trade growth forecast for 2024 has been revised down by 0.5 percentage point since June, reflecting weaker-than-expected growth in China and in global investment. As a result, the recovery of trade now projected for 2021-24 is the weakest following a global recession in the past half century (figure D).



# **Commodity Market:**

The average prices of most commodities, in U.S. dollar terms, fell in 2023 amid moderating demand (figure A). However, they remain more than 40 percent above prepandemic levels. Crude oil prices were volatile last year, including in the wake of the conflict in the Middle East; they averaged \$83/bbl, down from \$100/bbl in 2022. Production cuts by OPEC+, which were deepened and extended in November 2023, have mostly been offset by robust output elsewhere, including in the Islamic Republic of Iran and the United States. Currently, OPEC+ spare capacity stands at just over 5 mb/d. Oil prices are expected to edge down to \$81/bbl in 2024 as global activity slows and China's economy continues to decelerate. An escalation of the conflict in the Middle East is a major upside risk to oil prices.





Metal prices fell by 10 percent in 2023 on account of sluggish demand from major economies— notably China, which accounts for 60 percent of global metal consumption, in the midst of protracted weakness in the country's property sector (figure D). Metal prices are expected to fall further in 2024, before picking up in 2025 as China's property sector stabilizes and demand for metals used in the green transition (such as copper and nickel) increases. A greater-than-expected downturn in China's real estate sector is a key downside risk to prices.

(Source: <a href="https://thedocs.worldbank.org/en/doc/661f109500bf58fa36a4a46eeace6786-0050012024/original/GEP-Jan-2024.pdf">https://thedocs.worldbank.org/en/doc/661f109500bf58fa36a4a46eeace6786-0050012024/original/GEP-Jan-2024.pdf</a>)

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### INDIAN ECONOMY OVERVIEW

## India has been among the fastest growing economies in the world.

India's economy has rebounded strongly from the pandemic to become an important driver of global growth. After surging during FY2022/23, headline inflation has, on average, moderated although it remains volatile. Employment has surpassed the pre-pandemic level and the informal sector continues to dominate while formalization has progressed. The financial sector has been resilient, largely unaffected by global financial stress in early 2023. While the budget deficit has eased, public debt remains elevated and fiscal buffers need to be rebuilt. Globally, India's 2023 G20 presidency has demonstrated the country's important role in advancing multilateral policy priorities. On the political front, general elections are expected in April 2024.



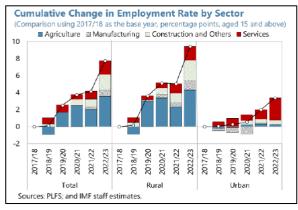
# Growth has been strong, supported by robust domestic demand and service exports.

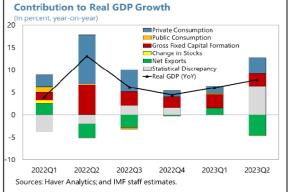
GDP growth reached 7.2 percent in FY2022/23, moderating from 9.1 percent in FY2021/22. Growth has been supported by robust consumption stemming from pent-up demand of households and strong investment, with historically high levels of public capital expenditure. Strong global demand for outsourcing induced by the pandemic pushed up service export growth to a decade high in FY2022/23, raising net exports. Services exports lost some momentum in early FY2023/24, largely reflecting demand slowdown in partner countries, but GDP growth remained strong at 7.8 percent in FY2023/24Q1, supported by robust domestic demand.

# Employment is rising, with significant contribution by informal workers and recovery in real wages.

According to the Periodic Labour Force Survey (PLFS), the labor force participation rate (LFPR) increased to 54.6 percent in AY2022/23, primarily driven by own-account, casual, and unpaid family workers, while the unemployment rate declined to 5.1 percent. By sector, employment in agriculture and construction has increased the most since AY 2017/18, with services picking up more recently. Real wages also recovered from the pandemic-driven decline, which was larger for self-employed workers. Nominal wages for regular workers have broadly kept up with inflation since AY2017/18, whereas wages for casual workers have enjoyed gains in real terms.







# Financial conditions remained supportive of the economy, with credit growth reaching the highest level since 2013.

Between September 2022 and August 2023, bank credit growth averaged 15.6 percent y/y, while lending by nonbank financial companies (NBFCs) accelerated to 16.1 percent y/y in March 2023. Both banks and NBFCs have seen rapid lending growth to personal borrowers. While bank credit to services has also been strong, credit to the industrial sector has been low and lending to micro, small and medium enterprises (MSMEs) has normalized after a surge in 2021-2022, partly reflecting expiration of support measures and base effects. However, strong loan inquiries from MSMEs suggest demand remains high. Domestic corporate bond issuance has increased since late 2022 in the face of subdued USD issuance abroad. Domestic equity indices have reached new highs after an uneven start to the year, gaining about 10 percent as of end-September. Increased participation by domestic investors has supported equity markets in recent years, and despite modest net selling by individual retail investors in FY2023/24, monthly inflows to Systematic Investment Plans have increased 37 percent since January 2022 to INR158 bn (\$1.9 bn) in August 2023, providing a more durable source of funding.

# India's external position in FY2022/23 was moderately stronger than that implied by medium-term fundamentals and desirable policies.

In FY2022/23, the current account deficit (CAD) widened to 2 percent of GDP, from 1.2 percent of GDP in the previous FY. The post-pandemic recovery of domestic demand and transitory external shocks, including a surge in commodity prices after Russia's invasion of Ukraine, outweighed the impact of robust services exports and proactive diversification of critical oil imports. According to the EBA model, the cyclically adjusted CAD stood at 0.9 percent of GDP in FY2022/23, 1.5 percentage points below its estimated long-term norm of 2.3 percent of GDP. Net FDI inflows declined to 0.8 percent of GDP in FY2022/23, covering almost half of the CAD. India's net international investment position improved marginally to about -11 percent of GDP at end-March 2023, as valuation changes and a base effect of rapid nominal GDP growth offset the CAD's contribution.

### Growth is projected to remain strong on the back of robust investment.

As pent-up demand from the pandemic wanes and monetary policy pass-through to the real economy proceeds, consumption growth is expected to soften. This, together with lower external demand will lead to softer growth. Nevertheless, a robust public capex agenda, which will support India's wideranging infrastructure needs, is expected to boost growth while crowding-in private investment. As a result, growth is expected at 6.3 percent in both FY2023/24 and FY2024/25. The output gap is estimated



to remain broadly closed.

# Inflation is expected to decline gradually over the next two years.

The recent increase in inflation driven by vegetable prices is expected to be temporary. Overall, inflation is projected to decline to 5.4 percent in FY2023/24 (from 6.7 percent in FY2022/23) before gradually converging to the RBI's 4-percent target over the medium term. Core inflation is projected to ease to 4.7 percent in FY2023/24 from 6.1 percent in the previous year and to also converge gradually to 4 percent over the medium term. These dynamics reflect the impact of past monetary policy tightening as well as the easing of global commodity prices.

#### Risks to the outlook are balanced.

Important risks include –

#### • External risks.

Global and idiosyncratic risks could cause a synchronized growth slowdown, with adverse spillovers through trade and financial channels and market fragmentation. Further global supply disruptions—e.g., due to conflicts or natural disasters—could cause recurrent commodity price volatility, increasing fiscal pressures for India and prompting economic instability. Broader and deeper conflict(s) and weakened international cooperation may lead to a more rapid reconfiguration of the global economy with knock-on effects on India.

### • Domestic risks.

Pressure to address cost of living increases may lead to fiscal slippages or under-execution of government capex to meet the budgeted fiscal deficit, which could slow growth. Weather shocks could weigh on agricultural output and raise food prices, reigniting inflationary pressures. Rapid and persistent growth of personal loans could lead to financial sector stress in a future downturn. Uncertainty related to upcoming elections could negatively impact investment.

# • Available policy buffers and relevant structural policies should be used if downside risks materialize.

Action would be needed to contain the negative economic impact which could include a significant growth slowdown with rising inflation. The available fiscal space would need to be drawn upon to provide targeted economic support to the vulnerable, while standing ready to tighten monetary policy should inflationary pressures from supply shocks appear to become entrenched.

#### • Upside risks.

Stronger-than-expected consumer demand and private investment would raise growth. Further liberalization of foreign investment could increase India's role in global value chains, boosting exports. Implementation of labor market reforms could raise employment and growth. Broadbased structural reforms would lift potential growth over the medium term. Lower-than-expected commodity prices can lower inflation, which would boost household purchasing power and lower business input costs, thereby supporting consumption and investment.

# The FY2023/24 central government budget appropriately prioritizes capital spending while tightening the fiscal stance.

The fiscal deficit is expected to improve by 0.5 percentage point of GDP, notwithstanding strong growth in capital expenditure. The deficit reduction is expected to be achieved through spending



restraint in current expenditure and a reduction in subsidies, reflecting both moderating commodity prices and cessation of temporary measures to ease cost of living pressures. The FY2023/24 Budget also adjusted the personal income tax (PIT) regime to make the preferred broad-based PIT schedule (introduced in parallel with the existing schedule in FY2020/21) more attractive, including through an increase in the tax-free threshold while setting this schedule as the default. Transfer taxes on personal remittances and payments for educational, medical and travel services were introduced in 2020; effective October 2023, the tax rates on personal payments and travel services were raised to discourage underreporting of income by high net- worth individuals on their tax return. While the income tax law provides for the reimbursement of these taxes, they still give rise to exchange restrictions as they represent an additional burden/cost on making current international payments and transfers. At the state level, the deficit is expected to remain broadly unchanged at 2.8 percent of GDP, as capital expenditure is not expected to reach budgeted levels. India is assessed as having some fiscal space and therefore has some room for expansionary fiscal measures, if needed.

(Source: <a href="https://www.imf.org/en/Publications/CR/Issues/2023/12/18/India-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-542605">https://www.imf.org/en/Publications/CR/Issues/2023/12/18/India-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-542605</a>)

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#### GLOBAL MEDIA & ENTERTAINMENT INDUSTRY

### **Entertainment And Media Market Definition and Segments**

Entertainment and media refer to the broad range of industries encompassing various forms of communication and entertainment, including television, film, radio, music, publishing, advertising, and digital media. It creates, produces, and distributes content that informs, entertains, and engages audiences across various platforms and channels.

The main products of entertainment and media are film, music, social media, video and animation, video games, and others. A film refers to a movie or motion picture, a form of visual art that conveys a story or a message through a series of moving images, which is used to entertain, educate, and inspire, and often reflect and comment on society and culture. The revenues earned medium include advertisement revenue, subscription-based revenue, and others used for wire, wireless, and others.

The entertainment and media market size has grown strongly in recent years. It will grow from \$2507.25 billion in 2023 to \$2706.24 billion in 2024 at a compound annual growth rate (CAGR) of 7.9%. The growth in the historic period can be attributed to smartphone adoption, social media influence, streaming services dominance, content personalization, and globalization of content.

The entertainment and media market size is expected to see strong growth in the next few years. It will grow to \$3545.76 billion in 2028 at a compound annual growth rate (CAGR) of 7.0%. The growth in the forecast period can be attributed to the adoption of subscription models, live events evolution, podcasting growth, interactive and immersive content, sustainability in entertainment, and regulatory changes. Major trends in the forecast period include blockchain in media, Al and machine learning integration, remote production technologies, augmented reality (AR) and virtual reality (VR), and metaverse development.

#### Rise Of OTT Services Accelerates Growth In The Entertainment And Media Market

The increasing OTT services are expected to propel the growth of the entertainment and media market going forward. Over-the- top (OTT) refers to a kind of content delivery paradigm that displaces traditional cable or satellite television providers by allowing consumers to stream and access audio, video, and other media material directly via the Internet. OTT services play a crucial role in the entertainment and media industries by providing a personalized viewing experience, driving content distribution strategies, and fostering market growth and innovation. For instance, in April 2023, according to a press release shared by Netflix Inc., a US-based streaming media company, Netflix had 223 million paying subscribers in the fourth quarter of 2022, and by the first three months of 2023, that number had risen to 231 million. Therefore, the increasing use of OTT services is driving the growth of the entertainment and media market.

# Companies Unveil Al-Powered Search Features To Elevate User Experience In Media And Entertainment Industry

Major companies operating in the media and entertainment market are focused on introducing advanced solutions, such as Al- based search capabilities for media and entertainment companies, to gain a competitive edge in the market. Al-based search capabilities for media and entertainment companies play a crucial role in enhancing the user experience, personalizing content, and improving audience



engagement. For instance, in November 2023, Google Cloud, a US-based suite of cloud computing services offered by Google, launched new Vertex Al Search features designed specifically to assist media and entertainment businesses in providing more individualized experiences for their fans. Media and entertainment businesses are finding that Vertex Al Search is a crucial tool for enhancing and expanding audience engagement. With the aid of the new features unveiled today, media firms will be able to better engage, expand, and keep their audiences by leveraging Gen Al to deliver personalized content suggestions. The new Vertex Al Search features expand on Google's track record of creating popular news aggregator services like Google News, video streaming platforms like YouTube, and tailored product suggestions for online retailers.

## Amazon Expands Content Library with Acquisition of Metro-Goldwyn-Mayer Studios

In March 2022, Amazon, a US-based E-commerce company, acquired Metro-Goldwyn-Mayer Studios Inc. for \$8.5 billion. With this acquisition, Amazon will increase the amount of content available on Amazon Prime Video. Metro-Goldwyn-Mayer Studios Inc. is a US-based television production company.

(Source: <a href="https://www.thebusinessresearchcompany.com/report/entertainment-and-media-global-market-report">https://www.thebusinessresearchcompany.com/report/entertainment-and-media-global-market-report</a>)

## **RESTRAINING FACTORS**

## **Content Piracy Issue to Constraint the Market Growth**

Because of the growing commercialization of the internet, content piracy has long been a big problem for the entertainment and media sector. It has an impact on a variety of business sectors, including stock photography, music, movies, and video games. Because it allows for anonymous communication and offers more access to the content, easy access to the Internet has made it possible for people to easily pirate copyrighted information. One of the main reasons for piracy all around the world has been the accessibility of digital content. People have been more inclined to obtain material illegally as a result of the lack of availability of media due to various release dates, region formats, geographical barriers, scarcity, and lack of distribution mechanisms. These elements, in addition to high prices and consumers' reluctance to pay for freely available material, have contributed to the growth of digital media piracy. Media and entertainment firms have suffered losses as a result of torrent websites offering pirated content, which have been made worse by internet service providers' (ISPs) failure to totally ban these websites. Digital content theft largely harms the revenue of content owners.

# MEDIA AND ENTERTAINMENT MARKET REGIONAL INSIGTS

The largest market for entertainment and media is anticipated to be in North America over the projected period. With growing investments from major market participants including Comcast Corporation, The Walt Disney Company, Google LLC, Facebook Inc., Warner Media LLC, Viacom Inc., and Time Inc., the entertainment and media market in North America is growing. Global hubs for social media, sports, theater, the arts, video games, cinema and television, music, and publishing can all be found in this area. Hollywood, the American film industry, also contributes to the expansion of the local market by generating billions of dollars in income annually. The media & entertainment sector also benefits financially from the crucial news broadcasting services provided by several media companies throughout the US, Canada, and Mexico.



**(Source:** <a href="https://www.businessresearchinsights.com/market-reports/media-and-entertainment-market-102952">https://www.businessresearchinsights.com/market-reports/media-and-entertainment-market-102952</a>)

### GLOBAL DIGITAL VIDEO CONTENT MARKET

## **Digital Video Content Market Size:**

The global digital video content market size reached US\$ 193.0 Billion in 2023. Looking forward, the market is expected to reach US\$ 503.7 Billion by 2032, exhibiting a growth rate (CAGR) of 10.9% during 2024-2032. The market is experiencing strong growth driven by the widespread availability of high-speed internet, content personalization and recommendation algorithms to keep users engaged, mobile-centric strategies and optimized content formats, and partnerships with local telecom providers and smart TV manufacturers.

## **Digital video content Market Analysis:**

- Market Growth and Size: The market is witnessing strong growth, driven by the increasing consumer demand for on-demand video content through streaming platforms, along with the accessibility of affordable smart TVs.
- **Technological Advancements:** Advancements in video compression, streaming protocols, and 5G technology are improving video quality and reducing buffering issues. AI-driven content recommendations are also enhancing user experiences and engagement.
- **Industry Applications:** Digital video content finds applications across various industries, including entertainment, education, marketing, and e-commerce. Companies leverage video content for branding, product demonstrations, and customer engagement.
- **Geographical Trends:** North America leads the market, driven by high-speed internet access. However, Asia Pacific is emerging as a fast-growing market, driven by a large and diverse audience, with mobile-first viewing habits.
- **Competitive Landscape:** Key players are investing heavily in producing high-quality original series and films. Some key players also offer monetization opportunities for content creators.
- Challenges and Opportunities: While the market faces challenges, such as content piracy and copyright issues, it also encounters opportunities in personalized content recommendations and the potential of niche content markets.
- **Future Outlook:** The future of the digital video content market looks promising, with innovations like 8K streaming and immersive AR/VR experiences on the horizon. Sustainability and ecofriendly production practices are expected to propel the market growth.

# **Digital Video Content Market Trends:**

## **Expansion of Streaming Services**

Streaming platforms are increasingly targeting international markets, offering a wide variety of content with multi-language support and localization. This expansion is driven by the increasing appetite for



global content. Original productions and licensed content from different regions and cultures attract diverse audiences worldwide. Key players are pursuing international growth strategies, investing in region-specific content and adapting their platforms to local preferences. Moreover, partnerships with local telecom providers and smart TV manufacturers are making these platforms easily accessible to audiences in various countries.

# **Digital Video Content Industry Segmentation:**

- Subscription
- Advertising
- Download-to-Own (DTO)
- Others

(Source: https://www.imarcgroup.com/digital-video-content-market)

#### GLOBAL OTT INDUSTRY

The global over the top (OTT) market size reached US\$ 461.0 Billion in 2023. Looking forward, the market is expected to reach US\$ 3,400.0 Billion by 2032, exhibiting a growth rate (CAGR) of 24.1% during 2024-2032. The growing penetration of high-speed internet, widespread adoption of smart devices, sudden shift towards on-demand content, ongoing content diversification and exclusive offerings, evolving monetization models, introduction of real-time analytics, and increasing government support and favorable regulations are some of the major factors propelling the market.

Over the top (OTT) is the delivery of film, television (TV) content, and other media services directly over the Internet, bypassing traditional cable or satellite television platforms. It includes video on demand (VOD), live streaming, audio streaming, and messaging services. OTT offers several key features, including high-definition (HD) content, personalized recommendations, and multi-device support. It is widely used for entertainment, news, sports, education, and health services, among others. OTT is a cost-effective service that offers a vast content library and the ability to cater to niche audiences.

The evolving monetization models like subscription-based video on demand (SVOD), advertising-based video on demand (AVOD), and transaction-based video on demand (TVOD) that are making it easier for consumers to access content according to their preferences and budgets are propelling the market growth. Furthermore, rapid globalization, which is exposing people to cultures and entertainment forms from around the world, is acting as another growth-inducing factor. Besides this, the introduction of real-time analytics, which allows service providers to understand viewer behavior better, thereby optimizing content and improving customer service, is contributing to the market growth. Additionally, the increasing government support and favorable regulations that make it easier for OTT platforms to operate and expand are positively influencing the market growth. Moreover, the growing accessibility of OTT services across different operating systems and browsers, which improves convenience and enhances user experience, is catalyzing the market growth.

# Over The Top (OTT) Market Trends/Drivers:

The growing penetration of high-speed internet and smart devices.



The advent of high-speed internet and the proliferation of smart devices are fundamental drivers of the over-the-top (OTT) market. High-speed internet has evolved from being a luxury to a necessity in both developed and developing nations. It is fostering increased online interactivity and making streaming services more accessible and efficient. Furthermore, in rural areas where traditional cable or satellite TV services are limited or unavailable, high-speed internet provides an alternative through OTT platforms. In addition, the introduction of fiber-optic and 5G technologies that are elevating the streaming experience to unprecedented levels, offering faster data speeds and lower latency, is catalyzing the market growth. Moreover, OTT services offer compatibility with smart devices, such as smartphones, tablets, smart TVs, and smart speakers, which allow consumers to access content anywhere. Besides this, several smart devices often come with pre-installed OTT apps, further simplifying the user journey from device activation to content consumption.

### The rising shift towards on-demand content

The global shift toward on-demand content is a significant factor driving the market growth. Consumers are craving flexibility, autonomy, and instant gratification, factors that traditional cable and broadcasting services are often unable to provide. OTT platforms cater to this need by offering vast libraries of content that can be accessed at any time, eliminating the need to adhere to fixed television programming schedules. Furthermore, the heightened awareness about the convenience of on-demand viewing, such as binge-watching series or enjoying a movie marathon, is acting as another growth-inducing factor. Moreover, on-demand content also allows for a more personalized viewing experience due to the integration of advanced algorithms that can analyze user behavior and preferences to recommend new content. This level of personalization is almost impossible to achieve with traditional media channels, making OTT platforms increasingly attractive to consumers seeking a tailored experience.

# The ongoing content diversification and exclusive offerings

The diversification of content and exclusive offerings is a crucial factor driving the market growth. OTT platforms are not only repositories of old movies or TV shows, but they are a significant player in the entertainment industry, producing award-winning original content, such as series, documentaries, films, and even live events. It aids in attracting a wide range of audiences, from those interested in niche genres to mass-market consumers. Besides this, content diversification, which includes geographic and cultural tailoring, wherein OTT platforms offer content that caters to local languages and preferences, thereby attracting different demographic segments, is favoring the market growth. Moreover, the allure of exclusive, premium content not only serves to attract new subscribers but also aids in retaining existing ones, offering a long-term advantage in a highly competitive market.

# **Over The Top (OTT) Industry Segmentation:**

# **Breakup by Component:**

- Solution
- Services



The solution is dominating the OTT market as it facilitates the streaming of content and serves as the backbone of any OTT service. Furthermore, comprehensive solutions, such as analytics, security, and content management systems, aid in managing the complexity and scalability of OTT platforms. Additionally, they enable service providers to deliver a more personalized and secure experience to their consumers, thereby contributing to customer acquisition and retention. Besides this, the integration of advanced analytics in solutions, which allows OTT platforms to better understand consumer behavior and preferences, helping them make data-driven decisions, is contributing to the market growth.

# **Breakup by Platform Type:**

- Smartphones
- Smart TV's
- Laptops Desktops and Tablets
- Gaming Consoles
- Set-Top Boxes
- Others

Smartphones are dominating the market owing to their widespread availability and affordability, which has made them an accessible option for a diverse range of consumers. Additionally, they allow users to consume content anytime and anywhere, whether during commutes, waiting times, or leisure periods. Moreover, smartphones have evolved significantly in terms of hardware capabilities, offering high-resolution screens, superior sound quality, and ample storage, thereby enhancing the content consumption experience. Along with this, the development of mobile-specific content by OTT platforms is further bolstering the market growth.

# **Breakup by Deployment Type:**

- Cloud
- On-Premises

On-premises deployment is dominating the market as it offers better control over the software and the hardware components. Furthermore, companies that choose on-premise solutions have full autonomy over their infrastructure, allowing for customization that aligns closely with organizational needs. Moreover, it allows for rapid response to any technical issues, minimizing downtime and enhancing the user experience. Besides this, on-premise solutions can be scaled vertically with relative ease by adding more powerful hardware, which means companies can expand their OTT offerings without the complexities that may come with scaling cloud-based or hybrid solutions.

## **Breakup by Content Type:**

- Voice Over IP
- Text and Images
- Video
- Others

Video is dominating the market owing to the consumer preference for visual storytelling, which can be more engaging, emotive, and easier to digest compared to text or audio content. Additionally, the



introduction of improved streaming capabilities, adaptive bitrate streaming, and the rise of high-definition (HD) and ultra-high-definition video content, which have substantially elevated the quality of video that OTT platforms can deliver, is boosting the market growth. Moreover, the diversity within video content allows OTT platforms to cater to varied consumer needs and moods.

## **Breakup by Revenue Model:**

- Subscription
- Procurement
- Rental
- Others

Subscription models provide a steady and predictable source of revenue for OTT platforms, which allows companies to forecast revenue with greater accuracy. Moreover, it is highly attractive to investors and enables companies to plan for content production and platform improvements. Besides this, subscription-based OTT services often invest heavily in content creation, thus making their offerings more appealing to consumers. Additionally, they offer ad-free experiences, which leads to higher user satisfaction and retention. Furthermore, subscribers are generally more loyal to a service they pay for, which aids in reducing churn rates and ensuring a stable user base.

## **Breakup by Service Type:**

- Consulting
- Installation and Maintenance
- Training and Support
- Managed Services

Training and support are dominating the market as they aid in understanding and navigating the complex landscape of OTT platforms, including content delivery networks (CDNs), encoding and transcoding, digital rights management (DRM), and adaptive streaming protocols. Furthermore, they assist in optimizing OTT platforms and providing superior user experience, which aids companies in staying competitive in the market. Along with this, training and support aid in promptly addressing technical issues, which assists in maintaining customer satisfaction and instilling greater trust in users. Apart from this, they enable OTT providers to scale their business by effectively managing the expanding technical infrastructure.

# **Breakup by Vertical:**

- Media & Entertainment
- Education & Training
- Health & Fitness
- IT & Telecom
- E-Commerce
- BFSI
- Government
- Others



Media and entertainment offer a wide range of content, including movies, TV shows, sports, documentaries, music, and more, which attracts a broad and global audience, making it a natural fit for OTT platforms. Furthermore, media companies have been quick to embrace OTT technology to distribute their content, thus ensuring a steady flow of popular and high-quality material. Additionally, OTT platforms are investing heavily in producing original content to differentiate themselves from competitors, which further solidifies their dominance in the media and entertainment space. Besides this, several OTT providers are forming partnerships with content creators and acquiring media companies to strengthen their content offerings and market dominance.

# **Breakup by Region:**

North America is dominating the market due to the high rate of internet penetration and the widespread availability of high-speed broadband services, which is crucial for accessing OTT platforms and streaming content seamlessly. Furthermore, the region has a high proliferation of smart devices, such as tablets, smart TVs, smartphones, and smart home systems, all of which can host OTT apps and services. Additionally, consumer behavior in North America is increasingly leaning towards digital and on-demand consumption of content, as they are eager to cut the cord and embrace more flexible, user-driven platforms for their entertainment needs. Moreover, this shift in consumer behavior is facilitated by the high average income levels, allowing for greater expenditure on premium OTT subscriptions. Apart from this, the region hosts some of the biggest players in the OTT market, which naturally boosts the market size and scope.

## **Competitive Landscape:**

The leading players in the OTT market are implementing a range of strategies to maintain their competitive edge and expand their market share. They are investing in the production of high-quality, exclusive shows and movies that can attract and retain subscribers. Furthermore, several companies are forming partnerships and collaborations to offer a comprehensive entertainment package. Besides this, they are collaborating with various content providers to offer a wide range of channels as add-ons to their existing subscriptions. Additionally, major players are leveraging advanced algorithms for content recommendation, high-definition (HD) streaming capabilities, and increasingly user-friendly interfaces to offer personalized viewing suggestions to enhance user engagement. Moreover, leading OTT providers are targeting emerging markets and adapting their content libraries to cater to regional tastes and preferences.

(Source: <a href="https://www.imarcgroup.com/over-the-top-market">https://www.imarcgroup.com/over-the-top-market</a>)



## INDIAN MEDIA & ENTERTAINMENT, OTT INDUSTRY

## **Overview of the Media and Entertainment Industry**

Traditionally the Media and Entertainment (M&E) industry has been a creative industry following technology innovations and market expectations. By its inherent nature, the industry is extremely dependent on markets, cultures, languages, and consumer segments. Also, M&E is unique as it appeals to customers on psychological, emotional, and aspirational levels, making quality and acceptance very subjective to each individual. Besides, there has been content that has transcended the language barrier and worked across segments globally.

Further, the M&E industry has multiple segments that combine into one vertical. These include movies/cinema, television, music, publishing, radio, internet, advertising, and gaming. Furthermore, trends and drivers differ across sub-categories, countries, and consumer segments for each of the segments. This makes the vertical unique, since these sub-verticals compete, complement, and combine to fulfil the ever-increasing demand for entertainment and information globally. Additionally, the Media and Entertainment (M&E) industry depends on multiple external factors/technology advancements, which include digitization, wireless gadgets, mobile phones, devices, internet access speeds, cloud storage, consumer analytics, and social media among others.

Furthermore, the Indian Media and Entertainment (M&E) sector includes ten segments – television, print, filmed entertainment, digital media (including OTT), animation & VFX, live events, online gaming, Out of Home (OOH) media, radio, and music. Of these, the top three industries, television, print, and digital media cumulatively are major contributors to the total revenues of the M&E sector with television having the largest share. Television broadcasting, with the highest share in advertisement spending, has benefitted from investments in new technology and significant audience traction across all verticals.

Broadly, the Media and Entertainment (M&E) industry is estimated to be valued at USD 30 billion in 2022, which is further forecasted to reach USD 50-70 billion by 2030. In present times, digital media is being increasingly preferred as an alternative advertisement medium due to its higher appeal among the younger generation. In the coming years, the share of digital media is expected to grow with the gradually declining television media.

#### Overview of OTT

OTT or over-the-top refers to television and film content that can be viewed using an internet connection instead of a satellite service or cable connection. This can be paid access or free of cost wherein users can watch movies, series, TV shows, and more content of their choice. The OTT technology has facilitated a plethora of options for people to watch their favourite content on numerous devices like smart TVs, mobiles, computers, tablets, and more. The platforms catered to diverse audience preferences by offering content in multiple languages. These include Hindi, English, Marathi, Tamil, and regional languages.

Further, OTT platforms in India have employed various monetization models, including subscription-based services, freemium models, and advertising-supported content. There are several international and domestic OTT platforms currently operational in India which include Netflix, Amazon Prime Video, Disney+ Hotstar, Zee5, Voot, SonyLIV, and others.



Moreover, the competition among these platforms is leading to increased investments in original content production to attract subscribers. The platforms are heavily investing in creating exclusive & high-quality web series and movies to differentiate themselves in the market. At the same time, the Indian audience has shown a growing interest in consuming content that reflects their cultural context, leading to an increase in regional and vernacular content production.

**Chart 13: Indian OTT Market Trend** 

Note: E-Estimated, P-Projected; Source: CareEdge Research

The Indian OTT market was estimated to be valued at USD 3.3 billion in 2023, which is expected to reach USD 4.8 billion by 2025. The Digital Media and Over the Top (OTT) industry has been witnessing rapid growth, given the internet penetration, affordable data plans, and the widespread adoption of smartphones. Whereas the growing young & tech-savvy population has led to a surge in demand for online streaming services.

Moreover, bundled services and promotional offers are common in the industry, for which OTT platforms partner and collaborate with telecom operators and other service providers to enhance user acquisition and retention. More importantly, the regulatory environment in India is evolving to support the OTT industry growth. There are discussions around content censorship, certification, and user data privacy.

## Overview of SVOD and AVOD

The introduction of the internet has significantly changed how we interact and engage. At present, the way we engage with video content has evolved. New innovative online services like YouTube along with Netflix, Amazon Video, and many more have been made possible by the capacity to deliver content over wired and wireless telecom networks.

However, technology has also altered the way we consume material. The days of waiting for an episode to air are far behind us. There is a plethora of shows that are available online and can be downloaded anytime, anywhere. This is called 'Video on Demand' (VOD), which literally translates to watching the video one wants.

There are different models under the Video on Demand (VOD) models - Subscription Video On Demand (SVOD) and Advertising Video On Demand (SVOD). These models are used by the platforms to deliver and monetize their content.



## Subscription Video on Demand (SVOD)

The phrase "subscription video on demand," or "SVOD," refers to digital streaming services that are membership-based. A recurring charge is required for users to access premium videos that are free of commercials under the SVOD model.

SVOD platforms are the "original" over-the-top (OTT) offerings that let the users skip traditional cable or satellite TV with Ad-free viewing, original content, and a vast library of media that is always expanding.

The model has gained popularity because of the efforts of Netflix, Amazon Prime Video, and Disney+ as they provide users with Ad-free viewing, personalized suggestions, and access to exclusive content.

Since SVODs rely on a devoted subscriber base to make money, they make significant investments in creating original content to keep users interested.

#### **Characteristics:**

- On-demand access to the content: SVOD service providers keep an extensive library of material
  that includes films, TV shows, documentaries, original content, and more. During the period of
  their subscription, users can access this content whenever and whenever they like.
- Subscription fee-based: SVOD platforms typically offer subscription plans with different prices and features. Plans may vary based on factors such as video quality (HD or Ultra HD), number of streams, and whether the subscription includes family sharing. Subscribers pay a recurring charge, which might be annual or monthly.
- Originally Produced Content: A number of SVOD platforms invest heavily in creating original content, including exclusive series, movies, and documentaries. The exclusive content helps them attract significant subscribers.
- Ad-free: One of the key differentiating factors of SVOD is the absence or minimal presence of advertisements during content playback.

# Advertising Video on Demand (AVOD)

AVOD stands for Advertising Video on Demand. It is a type of video on demand (video on demand) streaming technology similar to SVOD used to monetize video content online. AVOD is primarily used by free Ad-supported video streaming services, such as Hulu and YouTube, which are known as AVOD platforms.

A Video on Demand (AVOD) or Ad-based revenue service is one in which consumers must watch advertisements to access the free videos they wish to watch. The users do not have to pay subscription fees to watch the content but have to watch the advertisements before, after or during the video.

AVOD model is based on generating income from advertising. It is a very common monetization platform that can reach a wide audience and offer a variety of content ranging from TV shows, music, educational content or sports.



#### **Characteristics:**

- On-demand content but with advertisements: The AVOD platforms allow users to watch content
  without paying a subscription fee. However, users have to put up with occasional interruptions
  in the form of advertisements during their viewing experience.
- A mix of original with licensed content: AVOD platforms can offer a combination of licensed content and original content produced or commissioned by the platform. The platform's aim is to attract a wide audience with diverse content.
- Advertisements are the main revenue source: The main source of revenue for the AVOD
  platforms is advertising. The advertisers have to pay the platform to display their Ads. This
  revenue from Ads helps the platform to offset the cost of acquiring and delivering content.
- Use of different types of advertisement formats: The AVOD platforms use a variety of advertising formats, which include pre-roll Ads (before the content starts), mid-roll Ads (during content playback), and post-roll Ads (after content completion). The length and frequency of these Ads can vary.

Many online streaming platforms offer a combination of these services. Generally, the original content is available on a subscription basis and the licensed or old seasons are available on the AVOD model.

### **Overview of Content Production**

Content production is the process of producing different types of material as per the target audience. A vast variety of material such as articles, blogs, podcasts, films, photos, infographics, etc., is a part of this category. In many businesses, content creation is essential for marketing, communication, and information broadcasting.

The process of creating content is dynamic and continuing. It becomes relevant for digital marketing, education, entertainment, developing brands, and many other areas where good communication is essential.

Today, creating interesting, pertinent, and useful content that draws in and holds the interest of a target audience is the aim of content production.

The content production usually consists of the following steps:

- 1. Pre-production
- 2. Production
- 3. Post-production

# **Content Production for OTT:**

The term "Over-The-Top," or "OTT," is the delivery of content over the Internet instead of traditional broadcast television or cable systems. Content production for over-the-top (OTT) platforms includes producing and distributing digital material to users directly over the Internet.



A wide range of content is produced in the form of:

- Digital content
- Movies
- Series/Shows

#### **Trends in OTT Content Produced:**

The OTT platform has content in the form of series or shows, movies, and documentaries. The original and exclusive content often sets OTT platforms apart from traditional broadcasting, giving viewers a wide range of options to explore based on their interests and preferences. Whereas the variety of content on OTT platforms shows the evolving tastes and habits of digital consumers.

Further, the content produced for OTT platforms has witnessed exponential growth over the past few years. Additionally, the number of hours of content produced for OTT has increased significantly over the last 5 years. For instance, in 2019, the content produced totalled 2000 hours. The estimated content produced for number of hours for 2023 is 3,200 hours.

4500 4000 Hours of content released 4000 3500 3200 3500 3000 3000 2500 2500 2000 2000 1200 1500 1000 500 0 2019 2020 2021 2023 (P) 2025 (P) 2022 (E) 2024 (P)

**Chart 14: Trends in OTT Content Produced** 

Source: CareEdge Research

Whereas in 2020 COVID-19 hindered content production. However, a strong growth of 108% was recorded in 2021 wherein the content produced reached 2500 hours. COVID-19 increased the consumption of media as people were confined at home. It spurred the demand for exclusive content that led many OTT platforms to produce original movies and series.

Going forward, the OTT platform is expected to increase the number of hours of content it produces with the increasing number of users. Additionally, the rising number of affordable electronic items like laptops and mobile phones will attract more people towards the OTT platforms in future. By 2025, the content produced for OTT is expected to reach 4000 hours.

Furthermore, the increasing flexibility in watching the content, the diversity, increasing affordability, and multi-lingual content will further boost the demand for the original OTT content.



# **Trends in OTT platform:**

- Short content: The short-form material has grown in popularity which includes web series and mini-episodes. This trend is gaining traction with the changing preferences of consumers who only wish to watch easily consumable short content.
- More releases on OTT platforms: There has been a change in the OTT platform content in the last 2 years. Due to COVID-19, there have been many more movie releases on the digital platform than theatrical releases.
- Niche content: There has been an increase in the niche or specialty content on the OTT platforms due to the rising demand for such content.
- Availability of global content: The OTT platforms are roping in international celebrity and creators, making multi lingual content that appeals to the global audience.
- Evolving strategies in the OTT segment: Content publishing strategies are evolving and platforms are experimenting with adaptive models, including releases in a weekly format or releasing over a period of time to maintain an audience.

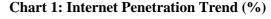
## **Key Growth Drivers and Challenges**

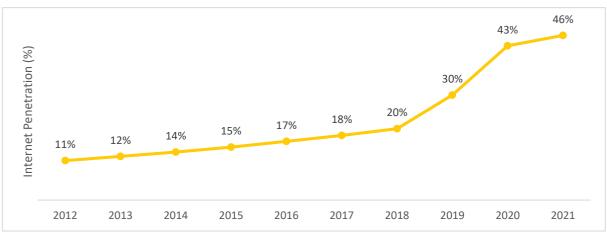
The digital media industry in India has been experiencing substantial growth, driven by various factors. Some of these key factors are:

# • Increasing Internet Penetration

The growing accessibility of the internet, especially in urban and rural areas, has played a significant role in the expansion of the digital media industry. The increasing smartphone penetration and affordable data plans have facilitated widespread internet usage.

The chart below depicts the trend of internet penetration in India:





Source: World Bank



Furthermore, telecom operators offer affordable and high-speed data plans, which contribute to increased internet usage. Affordable data rates make it easier for users to stream videos, access social media, and consume other digital content. This bodes well for the digital media industry's growth.

## • Digitalized Communities and Social Engagement

The growth of digital media is closely tied to the emergence of digitalized communities and increased social engagement on online platforms. Digital media platforms allow for real-time engagement, enabling users to interact with content instantly. Live streaming, comments, likes, and shares contribute to a sense of community and enhance the overall user experience.

Furthermore, online platforms provide spaces for like-minded individuals to connect, share interests, and build communities. This sense of community fosters continuous engagement and contributes to the growth of digital media through shared content and discussions.

# • Evolving Media and Marketing Content

The digital media industry has been significantly influenced by the evolving nature of media and marketing content. Digital media platforms leverage data analytics and artificial intelligence to personalize content based on user preferences and behaviour.

Moreover, there have been significant changes in distribution channels and marketing strategies. The industry is increasingly using social media platforms, influencer marketing, and online promotions to reach consumers, leading to digital media industry growth.

## • Growing OTT Market

The proliferation of OTT platforms has transformed the entertainment landscape. Platforms like Netflix, Amazon Prime Video, Disney+ Hotstar, and others have gained popularity, offering a diverse range of content, including movies, web series, and original productions. The trend of creating and consuming original content has become a major growth driver. OTT platforms, in particular, invest heavily in producing high-quality and exclusive content, attracting subscribers and viewers.

Moreover, the demand for content in regional languages has increased. Platforms that cater to regional and vernacular content have seen growth, reflecting the diverse linguistic and cultural landscape of India.

# • Rising Consumer Spending

With the growth of the Indian economy, consumer spending on media and entertainment has also increased. This trend is estimated to continue in the coming years, fueled by increasing disposable incomes and changing lifestyles. PFCE, which is an economic indicator of consumer spending, denotes increased spending towards recreation and culture in the past decade.



# The chart below depicts the spending trend:

Chart 16: Consumer Spending on Recreation and Culture



Source: MOSPI

# Government Support

The government has also been supporting the media & entertainment (M&E) industry through various initiatives and policies. The FDI policy involves a 100% limit. Government initiatives such as the Digital India campaign, have aimed to promote digital literacy and increase internet access across the country. These initiatives have indirectly contributed to the growth of the digital media industry.

### **Challenges**

The digital media industry, while experiencing significant growth and innovation, also faces several challenges.

Some of the main challenges are:

# Content Moderation and Censorship

Balancing the need for content moderation to address issues like fake news, hate speech, and inappropriate content while avoiding censorship is a delicate challenge. Platforms need to navigate these issues carefully to maintain a balance between freedom of expression and responsible content governance.

Whereas the rapid spread of fake news and misinformation on digital platforms is a major concern too. Addressing this challenge requires robust fact-checking mechanisms, content verification tools, and collaboration with relevant authorities.



## • Digital Inequality

Digital inequality poses several challenges for the digital media landscape. The affordability of internet access and digital devices can be a barrier to media consumption for economically disadvantaged individuals or communities. This limits their ability to subscribe to streaming services, access online news subscriptions, or participate in other digital media activities. Addressing such digital inequality is crucial for creating a more inclusive digital media landscape. Moreover, initiatives that focus on improving digital access, promoting digital literacy, and addressing affordability issues can help bridge the gap.

# • Language Diversity and Cultural Sensitivity

India is a linguistically diverse country with a multitude of languages spoken. Digital media platforms face the challenge of catering to this diversity, including the need for content in various regional languages to effectively reach different audiences. However, India's cultural diversity requires digital media platforms to be sensitive to cultural nuances and diverse perspectives. Therefore, content creators need to strike a balance between cultural representation and avoiding cultural insensitivity.

# • Changing Consumer Behavior

The shifts in consumer behaviour, such as the rise of mobile content consumption and the preference for short-form content on social media, nudge the digital media industry to continuously adapt its content strategies. Meeting changing consumer expectations is thus crucial for staying relevant. Such rapid changes in consumer behaviour, including preferences for certain types of content and platforms, require digital media organizations to stay agile and responsive to shifting trends.

## • Data and Privacy Concerns

Data privacy concerns are becoming more prominent globally with India being no exception. Platforms need to address user concerns about data security and privacy. Adhering to privacy regulations while still effectively leveraging user data for personalized experiences poses a delicate balance for the digital media industry.

# **Regulation of Digital Media**

The Central Government has implemented the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 under the Ministry of Electronics and IT, in the exercise of powers conferred by the Information Technology Act, 2000 to help achieve the aim of making the Internet Open, Safe and Trusted and Accountable and to regulate the intermediaries including social media intermediaries. These rules cast specific obligations on intermediaries to observe diligence as well as provide that if they fail to observe such diligence, they shall no longer be exempt from their liability under law for third-party information or data or communication links hosted by them. The diligence includes the following:

I. To inform the said rules their users make reasonable efforts to cause the users not to host, display, upload, modify, publish, transmit, store, update or share, among others, information, including information published by digital media on the intermediary platform or such information shared



on it by other users which threaten the unity, integrity, defence, security or sovereignty of India or public order, or prevent investigation, or violates any law.

- II. To not host, store or publish any information, including information published by digital media on the intermediary platform or such information shared on it by other users, which is unlawful, prohibited by law in relation to India's sovereignty and integrity, security of the State, public order, contempt of court etc. upon receiving actual knowledge in the form of an order by a court or being notified by the government under the provisions of the IT Act.
- III. Upon receipt of an order from a lawfully authorised government agency, to provide information or assistance for prevention, detection, investigation or prosecution under law, or for cyber security incidents.
- IV. To have in place a grievance redressal machinery and resolve complaints of violation of the rules within 72 hours of being reported.
- V. In case an intermediary is a significant social media intermediary (i.e., an intermediary having more than 50 lakh registered users in India), to additionally observe diligence in terms of appointing a Chief Compliance Officer, a nodal contact person for 24x7 coordination with law enforcement agencies and a Resident Grievance Officer, publishing monthly compliance reports, etc.

However, there is no proposal to enact a separate law to regulate digital media that is currently under consideration by the government.

# Digital Advertisement Policy, 2023

The Ministry of Information and Broadcasting has approved the comprehensive Digital Advertisement Policy, 2023 to empower and enable the Central Bureau of Communication (CBC), which is responsible for creating awareness and disseminating information about various government schemes, programs, and policies in India, to undertake the campaigns in the digital media space. In recent years, the way audiences consume media has witnessed a significant shift toward the digital space and the large subscriber base in the digital universe coupled with technology-enabled messaging options through digital advertisements that facilitate effective delivery of citizen-centric messages in a targeted manner which results in cost efficiencies in public-oriented campaigns.

Therefore, this policy framework will pave the way for wider government outreach in the digital era space.

# Advertisement rates and Transparency:

The policy introduces competitive bidding for rate discovery in order to ensure transparency and efficiency. The rates discovered through this process will remain valid for three years.

# OTT Platforms Engagement:

The policy will enable CBC to empanel agencies and the organisations in the OTT and Video on Demand Space and it will be able to leverage the growing number of listeners to Podcasts and Digital Audio platforms through the empanelment of digital audio platforms. Apart from rationalising its process of



empanelling internet websites, CBC will also be able to channel its public service campaign messages through mobile applications as well. The policy further streamlines the process of assisting CBC to place advertisements for government clients on social media platforms as these platforms have become the popular channels of public conversations empowering CBC to empanel digital media agencies to enhance its outreach through various platforms.

## Expansion to Digital Platforms:

The Central Bureau of Communication (CBC) can advertise on social media, OTT platforms, digital audio platforms, mobile applications and websites. It also mandates that the websites, OTT platforms, mobile applications and digital audio platforms need to be at least a year old to be eligible to apply under the scheme.

Recently, the Ministry of Electronics and Information Technology announced the Intermediary Guidelines and Digital Media Ethics Code Amendment Rules, 2023 in India on April 6th, 2023, where new rules aim to regulate the social media, over-the-top (OTT) platforms and digital news media. The new rule requires social media intermediaries to appoint a Chief Compliance Officer, a Nodal Contact Person and a Resident Grievance Officer in India where these individuals must be residents of the country and should be responsible for addressing user complaints, taking down objectionable content and ensuring compliance with the new rules. A mechanism for redressal of grievances that's easily accessible to users must also be established.

(Source: CARE Report on "Digital Media Industry")

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#### **OUR BUSINESS**

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Red Herring Prospectus. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 29 for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 252, 296 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

Unless otherwise indicated, the industry and market related information in this section is derived from the report titled "Report on Digital Media Industry" dated December 2023, prepared by CARE Analytics and Advisory Private Limited (the "CARE Report") or ("CareEdge Report"). CARE was engaged in connection with the preparation of the CARE Report pursuant to an engagement letter dated December 13, 2023, entered into with our Company. We commissioned and paid for the CARE Report for the purpose of confirming our understanding of the industry specifically for the purpose of the Offer. A copy of the CARE Report was available on the website of our Company at <a href="www.ullu.ltd">www.ullu.ltd</a>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors". Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer".

To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 137 and 296, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

# **COMPANY OVERVIEW**

Our Company was incorporated as a private limited company with the name of "Ullu Digital Private Limited" under the Companies Act, 2013 vide certificate of incorporation dated January 02, 2019, issued by Registrar of Companies, Delhi, bearing CIN U92100DL2019PTC343697. Further, our company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Annual General Meeting held on September 28, 2023 & name of our Company changed from "Ullu Digital Private Limited" to "Ullu Digital Limited" & Registrar of Companies, Delhi has issued a new certificate of incorporation consequent upon conversion dated October 30, 2023, bearing CIN: U92100DL2019PLC343697.

### **BUSINESS OVERVIEW**

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, exhibition, exploitation, promotion, marketing and delivery of diverse content on our platform/app named "Ullu". Our platform/app provides a diverse range of web series, short films and shows to our audience. We offer a mix of romance, drama, thriller, comedy and other genres to cater to the varied tastes of our audience.



We collaborate with various production houses or independent creators or writers who take the lead in developing the concepts, scripts, and storylines. Thereafter, the responsibilities are distributed among various stakeholders, including production companies, and other professionals. Our company is involved in deciding the budget and reviewing and providing feedback, but on-the-ground execution of the project is solely done by the production house.

Furthermore, our in-house team of content writers generates specific scripts, which are then entrusted to our reliable and independent production houses, while other scripts originate from the creative input of collaborating with production houses.

Although the production house handles the entire pre-production and production processes, our company is involved in post- production process and maintains ownership of all rights including intellectual property rights, copyrights, character rights as well as distribution, exploitation and marketing rights of the content across the entire territory and in perpetuity. The production house is responsible for obtaining necessary approvals for content production. Therefore, our company holds exclusive and sole rights over the content.

We refrain from providing any advance payment for content/project development to production houses. Payments are made solely upon the successful delivery of the content, thereby relieving our company from any associated liabilities or losses.

The app/platform operates on a subscription-based model. Users can subscribe to the app to access a vast library of content, including both existing content and new releases. The subscription model allows us to sustain our content creation efforts and maintain a dedicated viewer base. The cost-effective subscription plan enables us to attract a higher number of subscribers. Our subscription plans as follows:

S. No.	Subscription amount (In Rs.) *	Subscription days
1.	90/-	7 days
2.	198/-	1 month
3.	288/-	3months
4.	459/-	1 year

<sup>\*</sup>Including GST.

As on the date of this Draft Red Herring Prospectus, we have more than twenty lakhs active subscribers on our platform. The increase in our subscriber rate during the last 3 financial years and during the stub period is given as follows:

Particulars	September 2023	March 2023	March 2022	March 2021
Total number of subscribers	20,92,975	27,59,397	17,70,439	11,46,646
% increase in Subscribers	(24.15) %	55.86%	54.40%	-

Apart from the app, we operate our YouTube channels in the name of "ULLU", "ULLU MUSIC" and "ULLU GOLD". We release some of our content and songs on our YouTube channels as well.

Our company has expanded its reach globally, making the content accessible to audiences beyond the Indian subcontinent. We ensure a seamless streaming experience for our users across various devices, ranging from smartphones and smart TVs to tablets. This strategic approach enables us to connect with a diverse international audience while maintaining a user-friendly and technologically sophisticated platform.



We prioritize technological innovation to elevate the user experience significantly. Our platform integrates cutting edge technology, providing our subscribers a seamless and top-notch viewing experience. The application undergoes periodic updates to enhance and refine the user experience.

As per CARE report: "Industry Research report on Digital Media Industry", the entertainment industry has undergone a significant transformation with the emergence of Over-the-Top (OTT) platforms, in recent years. OTT platforms have revolutionized the way we consume entertainment content. The Indian OTT market was estimated to be valued at USD 3.3 billion in 2023, which is expected to reach USD 4.8 billion by 2025. The Digital Media and Over the Top (OTT) industry has been witnessing rapid growth, given the internet penetration, affordable data plans, and the widespread adoption of smartphones. Whereas the growing young & tech-savvy population has led to a surge in demand for online streaming services. More importantly, the regulatory environment in India is evolving to support the OTT industry growth.

Further, the content produced for OTT platforms has witnessed exponential growth over the past few years. Additionally, the number of hours of content produced for OTT has increased significantly over the last 5 years. For instance, in 2019, the content produced totaled 2000 hours. The content produced for number of hours for 2023 is 3,200 hours.

Whereas in 2020 COVID-19 hindered content production. However, a strong growth of 108% was recorded in 2021 wherein the content produced reached 2500 hours. COVID-19 increased the consumption of media as people were confined at home. It spurred the demand for exclusive content that led many OTT platforms to produce original movies and series.

Going forward, the OTT platform is expected to increase the number of hours of content it produces with the increasing number of users. Additionally, the rising number of affordable electronic items like laptops and mobile phones will attract more people towards the OTT platforms in future. By 2025, the content produced for OTT is expected to reach 4000 hours.

Furthermore, the increasing flexibility in watching the content, the diversity, increasing affordability, and multi-lingual content will further boost the demand for the original OTT content.

# **Growing OTT Market**

The proliferation of OTT platforms has transformed the entertainment landscape. Many OTT Platforms \have gained popularity, offering a diverse range of content, including movies, web series, and original productions.

The trend of creating and consuming original content has become a major growth driver. OTT platforms, in particular, invest heavily in producing high-quality and exclusive content, attracting subscribers and viewers.

Moreover, the demand for content in regional languages has increased. Platforms that cater to regional and vernacular content have seen growth, reflecting the diverse linguistic and cultural landscape of India.

(Source: CARE Report on "Digital Media Industry")



#### VISION

We aim to revolutionize Ullu Content, presenting it as an imaginative fantasy through visual storytelling, a path yet undiscovered by others in the industry. Our goal involves crafting a dedicated app tailored for a specific audience. This objective is driven by extensive research and creative brainstorming, guided by the following principles:

To Develop a user-friendly	To Enhance	To Emphasize content	To Focus on a singular
app, specifically designed	affordability with a	produced in-house,	genre with precisely
for seamless use by Tier 2 &	subscription model	contributing to a	curated content lengths,
3 users, ensuring simplicity	accessible to Tier 2 & 3	superior subscriber	avoiding excesses in
with one-handed navigation.	users.	experience.	duration.

#### **MISSION**

Spearhead global	Revamp the	Enrich our content	Expand the	Elevate user
API integration to	subscription	portfolio by	content library	engagement by
facilitate	model, placing a	incorporating	across various	integrating live
international	strong emphasis	select films	languages to cater	interactions with
expansion across	on customer-	available for free	to a diverse	actors, podcast
diverse linguistic	centricity.	or at a reduced	audience.	storytelling, and
landscapes.		cost.		customer engagement
				within the evolving
				framework of the Ullu
				App, currently in the
				R&D stage.

## ABOUT OUR PROMOTERS

# MR. VIBHU AGARWAL

Mr. Vibhu Agarwal, with an overall experience of 11 years in the media and entertainment sector, serves as the promoter and Managing Director of the company. He is the co-founder of "Ullu Digital Limited," the company behind the "Ullu app." Holding a graduate degree from the University of Lucknow, Uttar Pradesh. He embarked on his professional journey in 1995, initially establishing himself as a supplier of Plywood, Plywood shutters, and Flush Doors to various government departments in the State of Uttar Pradesh. Over the course of more than 25 years, he has gained valuable experience across multiple industries.

### MRS. MEGHA AGARWAL

Mrs. Megha Agarwal is the Whole-time director and promoter of the company, having an experience of 10 years in the media and entertainment Industry. She is the co-founder of "Ullu Digital Limited." holding a graduate degree from the University of Lucknow, Uttar Pradesh. She is also a co-founder and Trustee of "Shri Jai Prakash Charitable Trust" established in the year 2013. She is currently monitoring internal control of financial matters of "Japeeco India Private Limited", "Himalaya FiberTech Cement Private Limited", "Ullu Digital Private Limited" and "Atrangii Network Private Limited."



### JOURNEY OF OUR PROMOTERS AND COMPANY

Mr. Vibhu Agarwal, the driving force behind "Ullu Digital Limited", commenced his business journey in 1995 as a major supplier of Plywood, Plywood shutters, and Flush Doors to various Government Departments in the State of Uttar Pradesh. His business acumen led to growth in this venture over four years. Subsequently, in 1998, he ventured into the trading business of branded Cement and established "Himalaya FibreTech Cement Private Limited." In 2003, he demonstrated astute business acumen by entering the large-scale TMT Steel trading business, supplying significant quantities to prominent steel manufacturers and various Central Government Departments.

In 2012, he delved into film production, financing the film "Baat Bann Gayi." Thereafter, Recognizing the need for business information, he launched the weekly Hindi newspaper "Business Link" in 2012.

In the year 2018 rightly sensing the likeness of masses of our country as well as abroad to view most entertaining short duration movies on their mobile as per their convenient time that too, on a very reasonable Subscription Fee, he started an OTT Platform named "Ullu App".

In the year 2022 he ventured to establish a TV Channel & OTT Platform named "Atrangii."

Lately, in the year 2022 rightly sensing the craziness of the people for the purchase of their essentials like garments, footwear, cosmetics etc. on account of its convenience as to make these items available at their door- steps that too, at a very reasonable price he established an E-commerce platform named "Ullu 99".



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### **BUSINESS MODEL**

Our company operates on a B2C Business Model. We have released more than 250 web series, shows, short films and have distributed more than 50,000 hours of content till date on our OTT platform.

Our company employs two distinct business models to generate revenue, which are:

- 01. Content Licensing Model
- 02. Original Content Model

# 01. Content Licensing Model

Our company offers Licensed content to our viewers through our platform. Under Licensed Content, our company engage into production service agreements with various independent production houses, who take the responsibility of developing the concepts, scripts, and storylines. Thereafter, the responsibilities are distributed through a formal agreement with production companies. Under this business model our company is involved in deciding the budget and reviewing and providing feedback but the production of the project and on-the-ground execution is solely done by the production house. Some of our Licensed content available on the app are Mallika, Mastram, Le de Ke Bol, Riti Riwaj, etc.

## 02. Original Content Model

## "Ullu Originals"

Our company offers original content to our viewers through our platform. Under this business model, our In-house team of content writers prepare the script and storyline of the project and thereafter, we outsourced the production process to the independent Production houses and producers through formal production service agreements. These production houses, following the agreed-upon budget, handle the actual production of the content. Once the post-production process is finalized, the completed content is released on our app for viewers to enjoy. Some of our licensed content available on the app are Inspiration, Kings Man, Mini Bomb, Nancy, Perfume, Hotspot Charlie, etc.

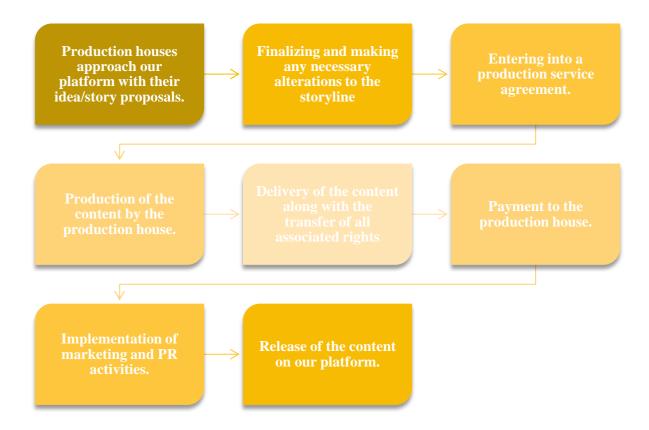
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### **OUR BUSINESS PROCESS**

## A. CONTENT LICENSING BUSINESS MODEL:

Under the content Licensing business model, our business process is as follows:



- 1. **Production houses approach our platform with their idea/story proposals:** Under this Business model, our business process starts when the production house presents us with their idea/story proposals and pitches the content for our consideration.
- 2. *Finalizing and making any necessary alterations to the storyline:* Once the proposals are received, our team works on finalizing the details of the storyline. This involves discussions, feedback, and necessary adjustments to ensure alignment with our platform's content strategy and standards.
- 3. **Entering into a production service agreement:** After the discussion and necessary alterations to the story are done, we finalise the story and enter into a formal production service agreement with the production house. This agreement outlines the terms and conditions including financial aspects, production budget, responsibilities and timelines of the parties. It is to be noted that our company through this agreement reserves all the rights including Intellectual Property rights, copyrights, character rights as well as Distribution, exploitation and marketing rights for the content.



4. **Production of the content by the production house:** Once the production service agreement is executed, the production house initiates the production process within the agreed timeframe. The production house assumes sole responsibility for overseeing the entire pre-production, and production processes, including aspects such as dubbing and shooting, until the production is fully completed. However, our company is fully involved in the post-production process and retains the right for final approval over all Essential Elements and over all material aspects of production of the content including the Production Schedule and locations.

Further, the production house is responsible to secure approvals under various regulations, rules, bye-laws set forth by the Government of India, state laws, Animal Welfare Board, or any other relevant body concerning the content's production. The associated costs are to be included in the Production Budget.

Furthermore, our company reserves the right to edit, alter, improvise and/or inspect the rough cuts/versions of the content at any time and intervals at the studios at which the content is being produced. Our company can also appoint 1(one) representative on our behalf who will be present to supervise the activities during the making of the content at all stages.

It remains the responsibility of the production company to produce and deliver the content in accordance with the terms and conditions specified in the production service agreement and to the satisfaction of our company.

5. Delivery of the content along with the transfer of all associated rights: Upon completion of the production process, the production house initially delivers the director's cut of the content to our company within the agreed timeframe. If any changes or modifications are required, the production house will promptly make such changes and deliver the final content along with other associated materials within the prescribed timeframes. If the content is not delivered within the specified timeframes, our company reserves the right to terminate the agreement.

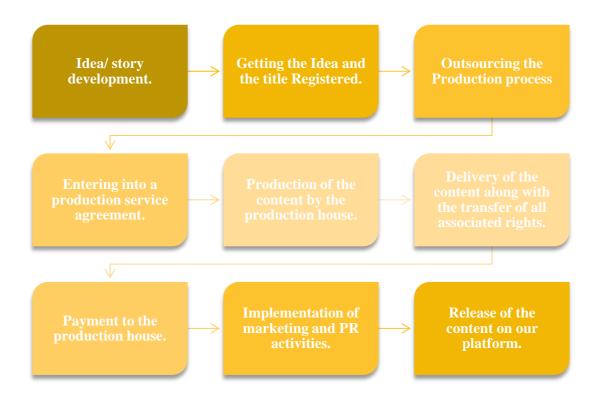
Following this, all rights, including intellectual property rights, copyrights, character rights, as well as distribution, exploitation, and marketing rights, are transferred from the production house to our company for the entire territory and perpetuity. Subsequently, our company holds exclusive and sole rights over the content.

- 6. **Payment to the production house:** Upon the delivery and approval of the final cut of the content by our company, and subsequent acquisition of all content rights, payment is remitted to the production house.
- 7. *Implementation of marketing and PR activities:* Upon receiving the content, our company determines the release date on our platform. Ahead of the release, our company conducts PR activities to promote and market the project.
- 8. **Release of the content on our platform:** The finalized content is officially launched on our platform, becoming accessible to viewers through our application.



### B. ORIGINAL CONTENT MODEL:

Under the Original Content business model, our business process is as follows:



- 1. *Idea/ story development:* Under this business model, our business process starts by finding the idea and concept. Finding the initial idea is the core of the whole process. This activity comprises both story discussion and script development. Story discussion involves developing the storyline for a potential show, while script development involves detailed work on the script. Our writers develop or write the script/ content keeping in mind audience taste, like, dislike and trend. Along with this our research team analyses the market demand, understands the need of the platform.
- 2. *Getting the Idea and the title Registered:* The next step in the process is to get the idea/concept or Title registered on IMPAA ("Indian Motion Pictures Producers Association") in the name of the company. Our company do not get all the titles registered, we only register some of our titles, which our board consider necessary.
- 3. **Outsourcing the Production process:** Following the registration of the concept and title, we delegated the pre-production and production processes to the independent production houses and producers.
- 4. **Entering into a production service agreement:** After the delegation of production process, we enter into a formal production service agreement with the production house. This agreement outlines the terms and conditions including financial aspects, production budget, responsibilities and timelines of the parties. It is to be noted that our company through this agreement retain all the rights including Intellectual Property rights, copyrights, character rights as well as Distribution, exploitation and marketing rights of the content.



5. **Production of the content by the production house:** Once the production service agreement is executed, the production house initiates the production process within the agreed timeframe. The production house assumes sole responsibility for overseeing the entire pre-production and production processes, including aspects such as dubbing and shooting, until the content is fully completed. However, our company is fully involved in the post-production process and retains the right for final approval over all Essential Elements and over all material aspects of production of the content including the Production Schedule and locations.

Further, the production house is responsible to secure approvals under various regulations, rules, bye-laws set forth by the Government of India, state laws, Animal Welfare Board, or any other relevant body concerning the content's production. The associated costs are to be included in the Production Budget.

Furthermore, our company reserves the right to edit, alter, improvise and/or inspect the rough cuts/versions of the content at any time and intervals at the studios at which the content is being produced. Our company can also appoint 1(one) representative on our behalf who will be present to supervise the activities during the making of the content at all stages.

It remains the responsibility of the production company to produce and deliver the content in accordance with the terms and conditions specified in the production service agreement and to the satisfaction of our company.

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- 9. **Release of the content on our platform:** The finalized content is officially launched on our platform, becoming accessible to viewers through our application.



# SOME OF OUR RELEASED CONTENT/ PROJECTS



# **BULL OF DALAL STREET**

The story or plot is based on Harshad Mehta scam. It is based on a real story. In the story where, "Harshal Mehra" who gambles away his entire fortune in the share market. With his iniquitous thoughts and dynamic personality, he became a big bull in a very short span. Unfortunately, huge success brings huge consequences. Experience the journey of a common man from rags to riches- "The Bull of Dalal Street". The series is currently streaming on Jio cinema and Mx Player. The series consist of 1 season with 12 episodes per season. This show has an IMDB rating of 6.00/10.

Genre: Drama



# **ASSI NABBE POORE SAU**

The story of the show represents, the wilted life of a widow blossomed when a handsome gentleman gave his name to her fatherless son. But his strong arms were never meant to protect the apple of her eye. Her son went missing and the husband got nabbed in vicious courtroom trials, unfolding dark secrets of rampant child murders. Watch now, as the count of innocent deaths hits 100! This show has an IMDB rating of 9.6/10.

Genre: Crime, Drama and Thriller



# **JOHRI**

Johri is a unique story of a global diamond player and his equally dramatic fall. The revelation of his scam raised indispensable questions about how one man's drive to succeed at all costs can jeopardize an entire nation. The show consists of 36 episodes and has an IMDB rating of 8.7/10.

Genre: Thriller





# **PARSHURAM**

Parasuraman who believed to be the sixth incarnation of lord Vishnu. Created and produced by Dilip Sonkar and Kumar Ranjit and Directed by Gautam Nagrath. The series was released on June 8, 2022 (India). The series is currently streaming on Jio cinema, Zee5 and Mx Player. The series consist of 2 seasons with 50 episodes per season. This show has an IMDB rating of 8.00/10.

**Genre:** Mythology, Religious and Drama



# **PAPER**

Paper is the story of the biggest counterfeiter, who shook the entire nation with a multi-crore scam. One who started with setting up a hoax printing setup and looted people for more than a decade. Unveiling the story of the most bizarre scam in history: "PAPER". This show has an IMDB rating of 7.00/10.

Genre: Crime, Drama and Thriller



# **TADAP**

This Love story based in a city of West Bengal trapped in old tradition of our society, where a girl sacrifices everything for her love. To become a single soul, both choose a path and soon face the ocean of troubles. While they are trying to handle things, destiny interferes, and a well-settled single parent enters in the girl's life showing difference between dreams and reality. This series consists of 13 episodes and is available in multiple regional languages on our app.

Genre: Drama, Romance, Thriller and Action





# THE LAST SHOW

The plot of the show unfolds on a fateful Friday the 13th in 1997, the audiences were in a frenzy to watch a super hit movie at a full house in Satkar Theatre. Aghast a fire breaks out and engulfs the closed auditorium to vanquish more than 100 innocent lives. Years later their relatives still grieve for their loss and hope for justice. Witness this heart-wrenching tragedy in 'The Last Show'.

Genre: Drama



# **TANDOOR**

The story of the unfolds on a particular night in 1995 when a middle-aged man swiftly traversed the streets of Delhi in his car, transporting a conspicuously large sack. Subsequently, on that same night, a vigilant constable on duty detected peculiar fumes emanating from a bistro that the man had entered. Delve into the reality behind a notorious incident as it unravels in "TANDOOR." This show has an IMDB rating of 5.3/10 and is available on our app.

Genre: Drama, Thriller

# **UPCOMING CONTENT/ SHOWS**

S. No.	Name	Genre	Description	Status
1.	De De Pyaar	Romantic	Story about when a husband falls in love with	Work in
	De	Comedy Drama	a woman almost half his age, he introduces	Progress
			her to his wife and children. However, their	
			unacceptance threatens to ruin their	
			relationship.	
2.	Drishti	Thriller Drama	it's a story about a girl who is blind and later	Work in
			after an incident, she takes a hard decision to	Progress
			commit suicide but later when she wakes up	
			in the hospital she gets back her vision,	
			through an eye transplant from a donor who is	
			dead. now she sees visuals which come true	
			and how the drama unfolds.	
3.	Parivaar On	Family Drama	In the story of "Chaturvedi Niwas," Keshav	Work in
	Rent	Comedy	Chaturvedi orchestrates a grand escape with	Progress
			his family after a major scandal. the	



			responsibility of the mansion falls on caretaker Baijnath, who is entrusted with the family's secrets. meanwhile, a web of rented relationships and hidden identities unfolds, as individuals, including supari bhaai's agents and a fake couple, converge on Chaturvedi	
4.	Rahu Ketu	Mythological	Niwas, each harbouring their own mysteries.  Based on mythological facts of a Asura Rahu who becomes 8 & 9 planet god.	Screenplay in progress
5.	Tirupati Balaji	Mythological	Based on mythological story of God Vishnu and Goddess Laxmi. It's a love story	Screenplay in progress
6.	Surya Dev	Mythological	Mythological story based on the life of sun god	Screenplay in progress
7.	Ganga Maiya	Mythological	Mythological biographical story based on ganga	Story In Progress
8.	Sharp Ya Vardhan	Mythological	Mythological stories from Satyug to Kaliyuga on curses which are boon in disguise.	Concept and sample episode, voice note ready
9.	K-Sutra	Erotic Romance	In ancient India, aspiring writer Vatsayana's love for Aradhayana is thwarted by societal norms. after Aradhayana's tragic life takes unexpected turns, she finds refuge in a brothel town. as fame and power converge, Aradhayana persuades Vatsayana to join her, and their unique relationship becomes the inspiration for the timeless Kamasutra, as he documents the intricacies of desire, passion, and human intimacy.	Work In Progress
10.	Tarzan	Action	In the mystical Sundarban forest, Ranjeet ventures to unravel its secrets while jenny's connection with Tarzan unfolds. a political storm brews as jenny's disappearance sparks intrigue, leading to a citywide search. as Tarzan adapts to urban life, societal clashes and investigations ensue, culminating in a daring escape. the story converges on a choice between nature and civilization, shaping jenny's journey from fame to an ultimate embrace of the wild.	Work In Progress
11.	Zanan Khana	Mythology, Romance and Drama	Zanankhana is a classic tale of lust love & deceit. Set in the medieval times, against the backdrop of kings having countless wives, who are not able to satiate their hunger for romance & love, tend to search out for their	Story In Progress



			gratification. In this backdrop, passionate love between a queen & a local boy blooms. And here starts our intriguing journey into their lives full of lies, threat, & politics.	
12.	Chokher Bali	Romance Drama	It explores the extra marital affair between Binodini, a young widow and Mahendra, an old suiter of hers, the complicated friendship with Asha, Mahendra's wife and her mutually conflicting feelings with Behari, Mahendra's childhood best friends.	Story In Progress
13.	Faiz And Noorie	Intense Love Story	Epic passionate soulful love story between the young and simple yet very Attractive Faiz from a small town in Uttar Pradesh India, and the beautiful sensuous yet fiery Noori from a small town in Pakistan, who get attracted and fall in love with each other over an unexpected phone call across the two countries.	Story Locked Screenplay In Progress
14.	Black Panther	Spy Thriller	Black Tiger is a thriller-drama set in the decade of turbulent 1970s, across two archnemesis countries. in its expansive span, the story takes us along the infamous political rivalry that claimed innumerable lives and exposes national secrets while also revealing international manipulations! and yet on a personal level, it tells the story of a middle-class Delhi boy who goes on an unthinkable journey, never to return home! the emotions he faces and the relations he builds and destroys, the punishment he receives all for loving his country.	Screenplay In Progress
15.	Kerala Kand	Suspense Thriller	A story about how a daughter in law kills all her family members over a period of a few years using cyanide (that's difficult to detect). based on real life story.	Story Locked Screenplay In Progress
16.	Love Hostel	Thriller	Lovers run away and take shelter here to live their lives together but the females in the couple are sold on dark web and the boys are killed.	Going on floor on the 29th of January 2024
17.	Fetish	Comedy Drama	Rahul's secret affairs and obsession with women's lingerie lead to a dangerous game with his sister and her boyfriend, unravelling a story of lust and betrayal.	First 5 stories approved, awaiting for the latter 5
18.	Hathras Kand	Based on real Story (Crime)	A story of how a teen girl was raped and the police authorities finished her cremation over	Project In Pipeline



			night against the family's consent.	
19.	Sand Mafia	Crime & Thriller	in the shadowy depths of the underworld, Neeraj Tiwari, a formidable gangster, becomes consumed by an obsessive desire for Raveena, a captivating woman he acquires through an auction. their connection is devoid of love, driven solely by Neeraj's intense fixation on her. as he entangles her in his tumultuous world, circumstances lead Neeraj to serve time in the lockup. despite the absence, he remains confident that Raveena will be waiting for him upon his release, adding a layer of anticipation and complexity to their dark tale of obsession, power dynamics, and the consequences of unchecked desire within the gritty underworld.	Location & Casting - Work In Progress
20.	Love - Bites	Erotic & thriller	In 'Love Bites,' sweety's life takes a dark turn when her friendship with Ajay leads to financial dependence and intimate encounters, culminating in her abduction by Ajay's psychotic brother, Rajesh. Trapped and tormented, sweety grapples with the consequences of misplaced trust and forbidden desires."	Location & Casting - Work In Progress
21.	Bay Watch	Drama & Thriller	A story of mafias running illegal activities along with a murder mystery	Script And Location - Work In Progress
22.	Kink2	Reality show	A show where couples come to explore their equation with their partners	Script And Location - Work In Progress
23.	Devdas	Love drama	The epic love triangle story of Devdas with a twist.	Work In Progress
24.	Flamingo	Crime & erotic drama	In 'Flamingo,' when undercover cop Pankti targets Rajasthan mogul Abhayendra rana's criminal empire with DSP Akshat's help, a riveting saga of power, betrayal, and redemption ensues.	Work In Progress
25.	Tadap (Kanpuriya)	Revenge Drama	In the bustling city of Kanpur, the inspiring story of Ravi, a humble government sweeper, unfolds as he selflessly supports Preeti, a determined young woman aspiring to become a government officer. however, when Preeti achieves her dreams she starts seeing herself superior to Ravi and distances herself from him. but destiny intervenes, allowing Ravi to rise to power. His unwavering dedication to	On Floor



			justice and the marginalized transforms the city. Preeti, having realized her mistake, seeks forgiveness but faces the consequences of her past actions, as Ravi chooses to empower the people and let her be. this narrative explores themes of redemption, empowerment, and the enduring impact of one's actions.	
26.	Laila	Romantic Thriller	A story of how a guy falls in love with the doppelganger of his dead girlfriend but has to marry the mother of the girls and later kills the mother to get back to the girl.	Post- Production stage
27.	Mehak (Devil's Desire)	Thriller Drama	In a tale of trade and turmoil, raj's prosperous business contrasts with the tragedy that befalls his brother Kamal, left paralyzed after an accident. amidst grief and hidden truths, Roshni's arrival brings both solace and revelation, ultimately leading to justice served and a new beginning for raj.	Work In Progress
28.	Shringarika	Erotic Periodic Drama	A journey of princess Abha through pain, betrayal and sacrifice in turning king vishwaraj into a nice human being.	Post- Production stage
29.	Aashiqui	Romance	In a musical romance, Raghav pursues his dream of becoming a rock star, but his path takes an unexpected turn when he falls for sur, who battles a serious illness. their passionate love story unfolds amid Raghav's rising career, weaving a poignant narrative that resonates with the audience, tugging at heartstrings and leaving a lasting impact.	On Floor

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# AWARDS AND RECOGNITION

Our company and our promoter have received numerous awards and recognition in the industry, showcasing the outstanding quality of content. Here are some of the notable awards:

S. No.	Award/ Achievement	Awarded by	Year			
	MR. VIBHU AGAR	WAL (PROMOTER)				
1.	India's best CEOs	Business Today	2021			
2.	Top 10 most dynamic entrepreneurs	India Today	2022			
3.	Top 10 most dynamic entrepreneurs	The Indian Alert	2022			
4.	Best leadership excellence award	MSME Startup &	2023			
	entertainment	Innovation summit				
		awards				
5.	Iconic OTT platform Leader - Midday	Midday	2021			
	Showbiz					
6.	Vibhu Agarwal - Key to Success	Media Brief	2022			
7.	Vibhu Agarwal - Entrepreneur	Forbes	2020			
	ULLU DIGITAL LIMITED					
1.	Business Leader (fastest growing OTT	Economic Times	2021			
	platform -Ullu)					
2.	Ullu setting Indian OTT Market on Fire	Fortune India Exchange	2021			



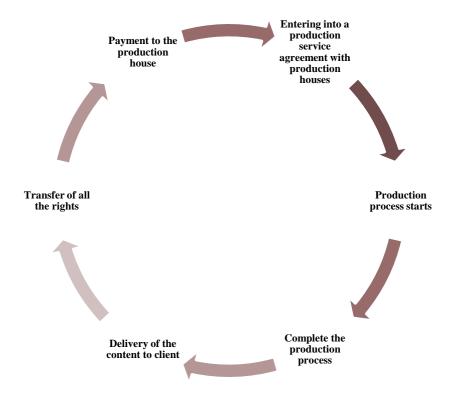






# **REVENUE OUTFLOW**

Initially the production house presents its storyline, and upon entering into a production service agreement with them, the production process is initiated by the production house. Upon completing the production, the content, along with all related rights, is delivered to our company. Following thorough diligence and content review, our company proceeds to release the payment to the production house. Our company is only involved in the post-production activities and finalisation of the content.



# SOURCES OF REVENUE

Our company generates revenue by following streams:

S. No.	Source of revenue	Description		
1.	Subscription earnings	Revenue generated from subscription fees on the platform.		
2.	YouTube Based Income	Income derived from ads, or views on the content posted on the YouTube channels.		
3.	Advertisement Income	Revenue generated through the display of advertisements within the platform's content.		
4.	Intellectual Property Revenue	Earnings obtained through partnerships or content licensing on other OTT platforms or channels and any other international collaborations related to intellectual property.		
5.	Coupon Related Services	Revenue generated by selling coupons to facilitate access to our content for international viewers.		



#### REVENUE BIFURCATION BASED ON ABOVE REVENUE STREAMS

(Amount in lakhs)

Particulars	September 2023	March 2023	March 2022	March 2021
Subscription earnings	5,786.30	9,051.17	4,655.08	2,507.97
YouTube Based Income	-	6.58	24.63	11.26
Advertisement Income	26.80	175.98	-	-
Intellectual Property Revenue	6.11	0.93	-	237.50
Coupon Related Services	1.90	9.53	2.98	-
Others	12.50	70.35	-	-
Total	5,833.61	9,314.55	4682.69	2756.73

# **OUR COMPETITIVE STRENGTHS**

We derive our strength from the following factors:

# Comprehensive Content Library and Multilingual Accessibility

Our company offers a diverse content library, which encompasses a wide array of shows, web series, films and other types of content across different genres. This diverse content library servers as a key advantage, attracting a broader and more varied audience to our platform. By offering content that caters to different interests and preferences, we enhance customer engagement and satisfaction. It enhances our market competitiveness and reinforces our commitment to delivering a comprehensive and satisfying entertainment experience.

In addition to this, our platforms provide the content in multiple languages, including English, Hindi, Tamil, Kannada, Telugu, Gujarati, Marathi, Bengali, and others as required, which strengthens our capacity to connect with wide range of audience not only within specific regions but also across geographical borders. This versatility allows us to effectively connect with a wide range of clients and expanding our market reach.

#### Brand Recognition and Quality Content Delivery

We believe that our brand "Ullu" is a well-recognized brand in the entertainment sector. The recognition of the "Ullu" brand has been nurtured through our holistic approach that combines diverse content library, quality content delivery in multiple languages, catering to the diverse needs and preference of audiences. Our commitment to providing engaging and varied content has led to more audience, establishing our brand in the entertainment industry. This recognition and commitment contribute to our robust presence and ensuring a meaningful and enduring connection with our audience.

#### Global Presence of our content

Our extensive global presence extends our reach, and our understanding of audience needs and cultural differences, operating all over India. We've cultivated insights of our audience diverse requirements and local cultures. This unique position enables us to customize our content according to the taste and preference of our audience.



# **Increased subscription rate**

Our platform boasts a significant base of increased subscribers, reflecting the loyalty and satisfaction of our audience. This increased subscriber base not only signifies the success of our current content offerings but also presents an opportunity for further growth. The increasing subscription rates underscore the attractiveness of our platform, with more users opting for our services over an extended period. This combination of subscriber loyalty and a growing user base position us favourably in the competitive landscape, creating a solid foundation for sustained success and revenue growth.

As on the date of this Draft Red Herring Prospectus, we have more than twenty lakhs active subscribers on our platform. The increase in our subscriber rate during the last 3 financial years and during the stub period is given as follows:

Particulars	September 2023	March 2023	March 2022	March 2021
Total number of subscribers	20,92,975	27,59,397	17,70,439	11,46,646
% increase in Subscribers	(24.15) %	55.86%	54.40%	-

# Experienced and Strong Management team

Our company's management and team are comprised of experienced professionals. Led by Mr. Vibhu Agarwal, who has several years of experience in the entertainment industry, our team is dedicated to the growth and development of our business. Our management team is composed of professionals with business and industrial knowledge, having created and acquired content for years. With their understanding of the OTT and entertainment industry, our management team focuses on the continued expansion and strengthening of our Content Library.

#### Strong tech team for managing our app "Ullu"

Our strength lies in our efficient tech team, managing the development and maintenance of our app, "Ullu". This team ensures seamless user experience, swift issue resolution, and timely updates, enhancing the overall functionality of our platform. The adept technical support enables us to adapt to evolving technological landscapes, ensuring the continued efficiency and relevance of our app. With a strong tech backbone, we remain agile in meeting user expectations and staying ahead in the dynamic landscape of the digital entertainment industry.

#### Organized and focused marketing team

A strong Managerial team is involved in the marketing of our content at various platform. Our team ensures compatibility and reliability with the audience needs and requirements efficiently. This is the reason of our increased subscription rates year on year. Our company also focuses on the establishment of relationships with production houses. The strategic marketing efforts contribute significantly to brand visibility, subscriber acquisition, and overall market positioning, enhancing our competitive edge in the industry.



# Retaining all the rights of our content

Our strategic advantage lies in retaining complete ownership and control over the rights to our content. Our company do not share or limit these rights, our platform reserves the rights to exploit, distribute, and modify our content without external constraints. This not only ensures the protection of intellectual property but also grants us the flexibility to explore diverse monetization avenues. Whether it's negotiating exclusive licensing deals or tailoring content for specific markets, the freedom to manage our intellectual assets independently contributes significantly to our market position and long-term viability. This fortifies our capacity to innovate, adapt, and maximize the value derived from our unique content offerings.

# **OUR BUSINESS STRARTEGIES**



#### Establishing an in- House Production House

Our company is planning to establish an In-house production house. Currently, we are outsourcing the pre-production and production process to the independent production houses and producers. By this strategy, we tend to achieve enhanced creative control, cost efficiency, faster content delivery, and customized content creation tailored to our platform's unique needs and audience preferences. The long-term benefits will include potential cost savings by reducing outsourcing expenses and optimizing production budgets.

Furthermore, we will invest in the necessary infrastructure, including studio space and cutting-edge equipment, and recruit skilled professionals to form a dedicated in-house production team.



# Embracing new technologies

As a content delivery platform, we are committed to staying ahead of the curve and embracing new technologies. Our goal is to become a technology-based OTT platform, leveraging the latest tools and innovations to create even more engaging content for our audiences. To achieve this, we are planning to actively invest in new technologies. By acquiring latest equipment like VFX machines, editing machines, dubbing machines, Sound and Mixing machines our company will be able to expand our capacity to produce content with high quality. We recognize that photos, music, VFX, and others are key growth areas, and we are committed to expanding our business in these areas. Our company is raising funds through this Initial Public offering for investing in technology. For more information, please refer the chapter titled "Objects of the Issue" on page 98 of this Draft Red Herring Prospectus.

# Creating a strong marketing and tech Team

Our business strategy involves a focused and strategic investment in building robust marketing and tech teams. Recognizing the paramount importance of effective marketing in a competitive digital landscape, we have assembled a dynamic marketing team led by experienced professionals. This team is dedicated to crafting and executing impactful marketing strategies that enhance brand visibility, attract new subscribers, and retain existing ones.

Simultaneously, we have placed a strategic emphasis on developing a strong tech team responsible for the continuous improvement and innovation of our app, "Ullu". This team is committed to ensuring a seamless user experience, swift issue resolution, and staying abreast of technological advancements in the industry.

By focusing on both these critical teams, we aim to create a synergistic approach where marketing initiatives align with the technical capabilities of our platform. This integration ensures that our marketing efforts effectively communicate the value proposition of our diverse content library and user-friendly interface, while the tech team works tirelessly to implement enhancements and stay ahead of industry trends.

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# **Strengths**

- Diverse Content Library
- Multi-Lingual Capabilities
- Brand Recognition
- User-Friendly Interface

# **Weakness**

- Dependency on Internet
- Subscription Costs
- Technical Glitches
- Outsourcing prodcution proceess

# **Opportunities**

- Global Expansion
- Technological Advancements

# **Threats**

- Competition from other OTT platforms
- · Piracy of content
- Regulatory Challenges may be intoduced
- Changing Consumer Preferences

# MARKETING STRATEGY

Our company focuses on the importance of compatibility and reliability, which is why we try to offer high-quality and engaging content that resonates with the target audience. Our success lies in providing our subscribers a user- friendly interface for a positive viewing experience. We have a marketing team led by our promoter, who is responsible for the overall marketing strategies. Our team, through their experience meticulously selects and curate content for our app, maintaining a diverse and extensive library to cater to varied preferences. This approach plays a pivotal role in creating and expanding a robust platform for our company.

Our marketing strategies are designed to:

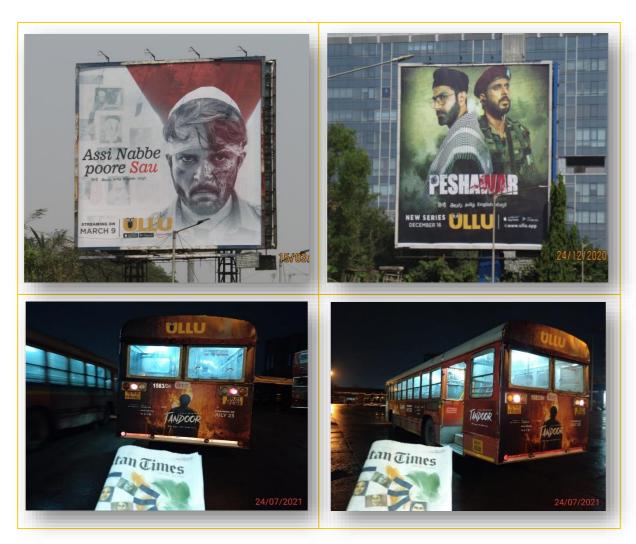
- 1. Provide user-friendly interface for a seamless experience.
- 2. Deliver high-quality, engaging content that aligns with the preferences of our target audience.
- 3. Implement effective measures for acquiring new subscribers and retaining the existing ones.
- 4. Ensure the accessibility of our content across diverse regions and demographics.

Generally, we are involved in both organic, inorganic, and paid marketing. We actively engage in marketing practices to effectively reach and engage our target audience. These structured approaches are meticulously planned and executed to maximize our outreach and provide valuable content. Some key components of our marketing strategies include:



# Offline Advertising

Our company actively employs offline advertising strategies, prominently featuring hoardings in strategic locations along roads and other public areas. Additionally, we utilize poster placements on buses to expand our reach and enhance visibility. These offline advertising efforts are designed to capture the attention of a diverse audience, ensuring our brand and messaging make a significant impact in the physical space.



# Performance marketing through Google ads

We leverage Google Ads to execute paid marketing campaigns aimed at attracting potential subscribers through visually engaging advertisements. By utilizing features such as video ads and display ads, we showcase our content to capture the interest of our target audience. In addition to traditional advertising methods, we also utilize Universal App Campaigns (UAC) within Google Ads. UAC campaigns are specifically designed to streamline the promotion of mobile apps across various Google platforms, including Search, Display, YouTube, and the Google Play Store.

With UAC campaigns, we provide images and videos along with a predetermined budget, and Google's machine learning algorithms take over from there. These algorithms automatically optimize bidding and



targeting to achieve specific campaign objectives, whether it's driving app installs, encouraging in-app actions, or securing in-app conversions. By leveraging UAC campaigns alongside our other performance marketing efforts, we aim to maximize our reach and engagement while efficiently driving growth for our platform.

# Social Media Marketing

Our company uses social media platforms for marketing that align with our target audience to promote our content and reach a wider audience. We manage YouTube Channels named "Ullu," "Ullu Music," and "Ullu Gold" with subscriber counts of 3.35 million, 1.07 million and 74.7K respectively. Additionally, our Instagram page named "Ullu" have 1 million followers, and our Facebook page named "Ullu" has 2.5 million followers. Through these channels and pages, we share our content snippets, behind-the-scenes glimpses, and industry insights, fostering engagement with our audience and cultivating a dedicated community.

# Other PR Activities

In addition to our core public relations efforts, we actively engage in other PR activities, with a primary focus on maintaining a newsletter distribution. Through our newsletters, we deliver carefully curated content, providing our subscribers with insightful updates on new content releases, production developments, and noteworthy announcements. This newsletter serves as a pivotal communication channel, fostering a direct and consistent connection with our audience.

#### COLLABORATIONS

As of the date of Draft Red Herring Prospectus our company has entered into certain collaboration agreements as given below:

As of the date of Draft Red Herring Prospectus our company has entered into certain collaboration agreements as given below:

# Ullu Digital Australia Pty Ltd.

Our company has engaged in an agreement with Ullu Digital Australia Pty Ltd. ("Assignee") for the transfer and delegation of all rights, duties and obligations related to all audio-visual content developed by our company for releasing on OTT Platform only for retail subscriber outside India to said ULLU app on OTT platform on a firm or recallable basis. However, it is important to note that all copyrights and intellectual property associated with the audio-visual content developed, produced, or acquired by our company will remain exclusively with us. Further, in accordance with the monthly revenue report provided by the assignee, our company will issue an invoice equivalent to 65% of the total revenue outlined in the assignee's monthly revenue report.

# Atrangii Network Private Limited

Our company has established a License Agreement with Atrangii Network Private Limited ("License") to provide the licensee with transferrable and non-exclusive rights such as satellite, digital, social media, and distribution of licensed content within the specified territory and platform. Additionally, any revenue generated and monetized from the distribution of licensed content will be collected by the licensee and subsequently shared between the involved parties.



# Hindustan Media Ventures Limited

The company has collaborated with Hindustan Media Ventures Limited (HMVL) to supply content through APIs for inclusion in their Distributor Platform. HMVL possesses significant rights to utilize and market the content on its platform, incorporating the company's branding. Subscribers have the ability to access, stream, and download the content. The company recognizes HMVL's authority in overseeing subscriber access and content distribution. In exchange for these services, the distributor has made a specified payment or guarantee, along with a cost per subscriber, to the company. The term of the agreement is Five (5) years and shall be extended by the parties on mutually acceptable terms.

# **HUMAN RESOURCE**

As an OTT platform, we are committed to delivering captivating and innovative content to our audiences worldwide. We believe that a motivated and empowered employee base is the key to our operations and business strategy. We engage a team of highly skilled professionals, creatives, writers, and consultants on a full-time basis to drive our daily business operations, who contribute their expertise to crucial functions such as administration, creative writing, legal affairs, tech and accounting, each fulfilling their designated duties with precision. As on date of this Draft Red Herring Prospectus, we have 108 (One Hundred Eight) employees on our rolls, who are involved in the day-to-day business operations, administrative, secretarial, legal, tech and accounting functions in accordance with their respective designated duties.

Our employees are not unionized, and our operations have not been interrupted by any work stoppage, strike, demonstration or other labour or any disturbance in the past.

# DEPARTMENT WISE BREAK-UP OF EMPLOYEES

S. No.	Particulars	Number of employees	
1	Finance and Accounts	7	
2	Human Resources	4	
3	Marketing and Sales	8	
4	Content team	18	
5	Operations	4	
6	Secretarial	1	
7	Placement	2	
8	Tech	55	
9	Legal	5	
10	Admin	4	
11	Finance and Accounts	7	
	TOTAL	108	

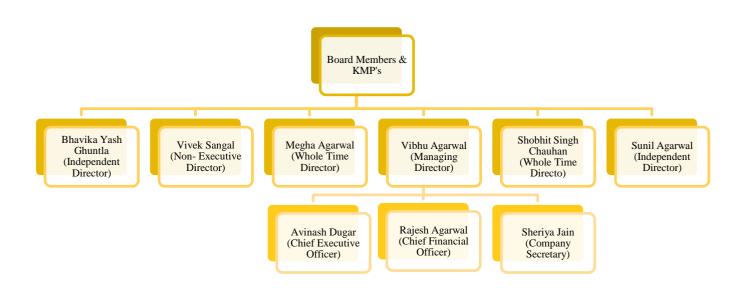


# FINANCIAL ACHIEVEMENTS OF THE COMPANY

(Amount in lakhs)

S. No.	September 2023	March 2023	March 2022	March 2021
Share capital	578.95	550.00	10.00	10.00
Reserves and surplus	3,092.38	1,525.90	556.33	160.02
Net Worth	3,671.33	2,075.90	566.33	170.02
Total Income	5,859.82	9,369.86	4,700.39	2,763.36
PAT	1,227.80	1,511.06	392.89	125.71

# ORGANISATIONAL STRUCTURE



# **BUSINESS RELATED CERTIFICATIONS**

Our Promoters Mr. Vibhu Agarwal has received the following significant certificates and License pertaining to our business:

S.N.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid upto
01.	IMPPA Registration	Indian Motion Picture Producers' Association	13805	-	31-03-2024



Our company has register some of the titles of the shows on Indian Motion Picture Producers' Association, some of them are listed below:

S. No.	Title register	FMCs Registration	Date of	<b>Current status</b>
			Application	
01.	Dance Bar	FMC/TR/09/621/2022-U-3146	23/08/2022	Registered
02.	Mona Home	FMC/TR/09/621/2022-U-3145	23/08/2022	Registered
	Delivery			
03.	Peshawar	FMC/TR/09/621/2022-U-3144	23/08/2022	Registered
04.	Peshawar	FMC/TR/09/692/2022-265544	07/10/2022	Registered
05.	Dance Bar	FMC/TR/09/692/2022-265546	07/10/2022	Registered
06.	Mona Home	FMC/TR/09/692/2022-265545	07/10/2022	Registered
	Delivery			
07.	Koi Jaye Toh le	FMC/TR/09/1164/2023-U-578	13/12/2023	Registered
	Aaye			
08.	Pat Katha	FMC/TR/09/385/2022-U-2686	24/06/2022	Registered
	Vikram Betal			

# DOMESTIC AND INTERNATIONAL SALES

(Amount in Lakhs)

S.No.	State Name	September 2023	March 2023	March 2022	March 2021
		<b>Domestic S</b>	ales		
1.	Subscription Earnings	4,680.61	7,502.83	4,492.87	2,361.85
2.	Advertisement Income	26.80	25.34	-	-
3.	IPR Revenue	6.11	0.93	-	-
4.	Coupon related Revenue	1.90	9.53	2.98	-
5.	Others	12.50	70.35	-	-
	Total (A)	4,727.92	7,608.99	4,495.84	2,361.85
		International	Sales		
S.No.	<b>Export Countries</b>	September 2023	March 2023	March 2022	March 2021
1.	Subscription Earnings	1,105.69	1,548.34	162.21	146.12
2.	YouTube based Income	-	6.58	24.63	11.26
3.	Advertisement Income	-	150.64	-	-
4.	IPR Revenue	-	-	-	237.50
	Total (B)	1,105.69	1,705.56	186.84	394.88
(	Grand Total (A+B)	5,833.61	9,314.55	4682.69	2756.73

# **PLANT & MACHINERY**

As of the date of this Draft Red Herring Prospectus, our company have certain plant and machinery, the details of which are given below:



S. No.	Product/ Machinery	Model/ serial number	Quantity	Year of
	Description			Manf.
1	Computer	Imac Retina 5k 27inch/Intel core i5 3,5ghz/16GB/Graphics 4GB	1	2017
2	Computer	Imac Retina 5k27inch/intel Corei5 3.8Ghz/28GB/Graphics 8GB	2	2017
3	Computer	Mac cylinder3Ghz 8coreintelXeon/32GB/Graphics3GB	1	2017
4	Computer	Mac cylinder3.5Ghz 6coreintelXeon/32GB/GraphicsGB	1	2017
5	Computer	Imac Retina 5k 27inch 3.4Ghz intel Core i5/32GB/Graphics4GB	2	2017
6	Computer	Pentium Dual Core 2.5Ghz/4GB	1	2017
7	Computer	Intel Core i3/3.2 Ghz/16GB	1	2017
8	Laptop	Lenovo Ideapad S145Intel Core i3/1.2 Ghz/8GB	1	2017
9	Laptop	Intel Corei3/2.3Ghz/4GB	1	2017
10	Laptop	Dell inspironi5	1	2017
11	Laptop	Intel Core i5 7300U/8GB	1	2017
12	Laptop	Dell inspironi5	1	2017
13	Laptop	Hp Intel Pentium 1.9Ghz/4GB	1	2017
14	Laptop	Insprion P40F	1	2017
15	Computer	Imac Retina5k27inch/Intel corei5 3Ghz/32GBRam/Graphics4GB	2	2019
16	Computer	Imac Reitina 5K 27inch 3GhzIntel 6corei5/48GB/Graphics 4GB	1	2019
17	Computer	Imac Retna 5k 27inch/6Core3.3 Ghz/32Gb/Graphics4GB	1	2020
18	Computer	Imac Retina 5k,27inch/Intel 8Corei7/16GB/Graphics8GB	4	2020
19	Computer	Imac Retina 5k27inch/3.8Ghz/64GB/Graphics8GB	2	2020
20	Computer	Imac Retina 5K 27 inch 3.8 Ghz intel Core i7/40GB/Graphics 8GB	7	2020
21	Computer	Intel Core i7 2.9Ghz/32GB/Nvidia GTX1050 TI	3	2020
22	Computer	Apple M1 24Inch 8Core/16GB	7	2021
23	Computer	Amd Ryzen 7 5800X 8Core/48GB/Nvidia RTX 3060	2	2021
24	Computer	Amd Ryzen 7 5800X 8Core 3.8Ghz/32GB/Nvidia RTX 3060 ti	8	2021
25	Computer	Intel Core i7 9700 3.6 Ghz /16GB/Nvidia Geforce GT 710	1	2021
26	Computer	Intel Core i7 3.7Ghz/16GB/Nvidia GeforceGT710	2	2021
27	Computer	Amd Ryzen 7 5800X 8Core 3,8 Ghz/32GB/NvidiaGeforceRTX 3060	3	2021
28	Computer	IntelCore i7,3.6Ghz,16GB	5	2021
29	Computer	Blackmagic design-Micro panel	1	2021
30	Computer	Eizo monitor CG279X	2	2021
31	Accessories	Blackmagic design-Micro panel	1	2021
32	Accessories	Solid State Logic -Model-729702X1	1	2021



33	Accessories	Apple M1 24Inch 8Core/16GB	7	2021
34	Accessories	Intel Core i7 2.9Ghz/32GB/Nvidia GTX1050 TI	1	2021
35	Computer	Mac Studio M1 10 Core 32GB	1	2022
36	Computer	Amd Ryzen 7 3800X 8 Core 3.9 Ghz/ 64GB/Nvidia RTX 3060	1	2022
37	Storage	Lacie 40 TB	1	2022
38	Storage	Teramaster 126 TB	1	2022
39	Computer	Amd Ryzen 7 5700X 8 Core 3.4 Ghz /64GB/Nvidia RTX 3060	4	2023
40	Computer	i9 13th genaration 3 Ghz/64GB/Nvidia GT 710	1	2023
41	Laptop	Asus i3	4	2023
42	Laptop	FR5007TU	1	2023
43	Accessories	SimplyPro LTO	1	2023
44	Storage	Teramaster 140 TB	4	2023
45	Storage	Seagate 4TB	1	2023

# **UTILITIES & INFRASTRUCTURE FACILITIES**

# Power

Our Company requires power for the normal requirement of the Office for lighting, Computer systems etc. Adequate power is available which is met through the electric supply by the government.

# Water

Water required for human consumption and other purposes is fully met at the existing premises by internal supply & also with private supply.

# COMPETITION

Our company, in particular, faces stiff competition from well-established players in the content streaming segments. We face intense competition from both local and international players in this domain. In order to remain competitive in this market, we are constantly exploring innovative approaches to attract and retain the best talent while maintaining the quality in our content. We focus on continuous innovation, ensuring our content remains cutting-edge and resonates with diverse audiences. By embracing the latest methods and technologies, we strive to stand out amidst the competition.

# Some of our peer companies:

# Competitors in domestic markets:

- 1. Zee Entertainment Enterprises Limited (Zee 5)
- 2. Balaji Telefilms Limited (ALT Balaji)
- 3. Shemaroo Entertainment Limited
- 4. Jio Cinema



# International Competitors:

- 1. Netflix
- 2. Amazon Prime Video
- **3.** Sony Liv
- **4.** Disney Hot Star
- **5.** Eros Now
- **6.** MX Player
- 7. Lions gate play

# **INSURANCE**

S. No.	Name of Insurance Company	Type of Policy	Policy Number	Insured	Validity Period	Sum Insured
1.	United India Insurance Company Limited	Motor Insurance Policy	0823033122P110528238	Ullu Digital Private Limited	From 15/01/2023 To 14/01/2026	17,00,500
2.	The Oriental Insurance Co. Ltd.	Private Car Package Policy	242596/31/2024/TMP/133736	Ullu Digital Private Limited	From 13/11/2023 To 12/11/2024	1,218,000
3.	HDFC ERGO General Insurance Company Limited	Motor Insurance Policy	202303150023554	Ullu Digital Private Limited	From 18/03/2023 To 17/03/2024	72,92,000
4.	Bajaj Allianz General Insurance Company Limited	Office Package Insurance Policy	OG-24-9906-4093-00000018	Ullu Digital Limited	From 29/01/24 To 28/01/2025	26,29,00,000

# **LAND & PROPERTIES**

S. No.	Address	Owned/ leased	Type
1.	CTS No. 639-640, New Link Road, Near Fun Republic,	Lease	Corporate
	Andheri West, Mumbai- 400053		office
	14th floor, CTS No. 639-642, New Link Road, Near Fun	Lease	
	Republic, Andheri West, Mumbai- 400053		
2.	901, Kanchanjunga Building 18, Barakhamba Road,	Lease	Registered
	Janpath, New Delhi, India 110001		Office
3.	102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar	Lease	Branch office



Pradesh, India, 226001

# **INTELLECTUAL PROPERTY RIGHTS:**

# Trademark/ Wordmark Owned by Our Company:

As on the date of this Draft Red Herring Prospectus the following are the Trademarks/ wordmark registered or objected in the name of the company under the Trademark Act, 1999:

Trademark/ Wordmark	Date of Application	Application Number	Class	Current Status
ULLU DEKHTE RAHO	21/10/2020	4712200	38	Registered
ULLU GOLD	23/01/2022	5296575	41	Registered
ULLU GOLD	23/01/2022	5296574	38	Registered
	02/05/2021	4962644	38	Registered
<b>ULLU</b>	17/01/2019	4058982	41	Registered

# Trademark/ Wordmark Owned by Our promoter Mr. Vibhu Agarwal:

As on the date of this Draft Red Herring Prospectus the following are the Trademarks/ wordmark registered or objected in the name of the promoter i.e., Mr. Vibhu Agarwal:

Trademark/ Wordmark	Date of Application	Country of Registration	Trademark Number	Class	Current Status
ULLU DEKHTE	19-04-2021	France	1549492	41	Registered
RAHO					-
ULLU DEKHTE	01-12-2020	IP Australia	2118819	41	Registered
RAHO					
ULLU DEKHTE	11-06-2021	Bhutan	1549492	41	Registered
RAHO					
ULLU DEKHTE	01-06-2021	Bulgaria	1549492	41	Registered
RAHO					
ULLU DEKHTE	01-02-2021	European union	1549492	41	Registered
RAHO		trademark			
ULLU DEKHTE	24-09-2021	Kanning Square	1549492\55483	41	Registered



RAHO		Athens Greece			
ULLU DEKHTE	04-01-2021	Hungarian	1549492	41	Registered
RAHO		Intellectual			
		Property			
ULLU DEKHTE	11-02-2020	Republic of	1549492	41	Registered
RAHO		Indonesia			
ULLU DEKHTE	24-02-2021	Switzerland	1549492	41	Registered
RAHO					
ULLU DEKHTE	11-02-2020	Cameroun	117434	41	Registered
RAHO					
ULLU DEKHTE	28-02-2021	Switzerland	1549492	41	Registered
RAHO					
ULLU DEKHTE	13-01-2021	Poland	1549492	41	Registered
RAHO					
ULLU DEKHTE	03-03-2021	Lisboa Portugal	1549492	41	Registered
RAHO					
ULLU DEKHTE	14-12-2020	Russian Federation	1549492	41	Registered
RAHO		(Moscow)			
ULLU DEKHTE	07-04-2021	Turkey	1549492	41	Registered
RAHO					
ULLU DEKHTE	01-12-2020	Australia, New	1549492	41	Registered
RAHO		Zealand			
ULLU DEKHTE	11-06-2021	Thimphu Bhutan	1549492	41	Registered
RAHO					
ULLU DEKHTE	01-06-2021	Bulgaria	1549492	41	Registered
RAHO					
ULLU DEKHTE	10-09-2020	European union	1549492	41	Registered
RAHO		trademark			
ULLU DEKHTE	20-01-2020	Federal Republic of	1549492	41	Registered
RAHO		Germany			
ULLU DEKHTE	24-09-2021	Georgia	1549492	41	Registered
RAHO					
ULLU DEKHTE	02-11-2020	Hungarian	1549492	41	Registered
RAHO					
ULLU DEKHTE	11-02-2020	Republic of	1549492	41	Registered
RAHO		Indonesia			

# Copyrights registered in the name of our promoter:

As on the date of this Draft Red Herring Prospectus, the following are the Copyrights registered in the name of the promoter Mr. Vibhu Agarwal under the Copyright Act, 1957:

S. No.	Copyrights		Class and description of the work	Title of work	Owner
1	L-113676/2022	25/12/2021	Literary/ Dramatic work A	Shabana	Vibhu
			Romantic Adult		Agarwal



			Love Story		
2	L-114368/2022	13/01/2022	Literary/	Kamasutra	Vibhu
			Dramatic Work		Agarwal
			A Romantic Tale		
3	L-113246/2022	13/12/2021	Literary/	Patrapetika	Vibhu
			Dramatic Work		Agarwal
			A Script		
			Depicting Love		
			Stories in some		
			random remote		
	7 117 20 717 00 7	10/01/202	areas		
4	L-115695/2022	18/01/2022	Literary/	Kutte Ki	Vibhu
			Dramatic Work	Maut	Agarwal
_	T 11 11 12 12 12 12 12 12 12 12 12 12 12	10/01/0022	A Fairy Tale	7 1 1 · D ·	¥ 7'1 1
5	L-114142/2022	10/01/2022	Literary/ Dramatic Work	Jalebi Bai	Vibhu
					Agarwal
6	L-123481/2023	08/05/2022	A Romantic Tale	Hara	Vibhu
0	L-123461/2025	08/03/2022	Literary/ Dramatic Work	Sindoor	Agarwal
			A Romantic Tale	Silidool	Agaiwai
7	L-123483/2023	08/05/2022	Literary/	Jaal	Vibhu
,	L 125405/2025	00/03/2022	dramatic work a	Juui	Agarwal
			tale		11541 (141
8	L-138194/2023	10/01/2023	Literary/	Kesariya	Vibhu
			Dramatic Work	Rang Mein	Agarwal
			Kesariya Rang	Rang	J
			Mein	Jaaoon	
			Tere Rang	Piya	
			Jaaoon Piya		
9	L-114141/2022	10/01/2022	Literary/	Shringarika	Vibhu
			Dramatic Work		Agarwal
			A Romantic		
			Story		

# DOMAIN DETAILS

Domain Name	Sponsoring Registrar & ID	Creation	<b>Expiry Date</b>	Current
and ID		date		Status
ullu.app	2D493F436-APP	06-08-2018	06-08-2024	Active
	(whois.godaddy.com)			
www.ullu.ltd	1273fa9ec52349c0b6ea13b1f4492d14	10-07-2020	10-07-2024	Active
	(whois.godaddy.com)			

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#### KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

# **RELATED TO OUR BUSINESS**

# THE CINEMATOGRAPH ACT, 1952

The Cinematograph Act, 1952, ("Cinematograph Act"), authorizes the Central Government to constitute a Board of Film Certification, (also known as the "Central Board of Film Certification" or "CBFC"), in accordance with the Cinematograph (Certification) Rules, 1983, ("Certification Rules"), for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to apply in the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether, the film:

- is suitable for unrestricted public exhibition;
- or is suitable for unrestricted public exhibition, with a caution that the question as to whether any child
- below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child; or
- is suitable for public exhibition restricted to adults; or
- is suitable for public exhibition restricted to members of any profession or any class of persons having
- regard to the nature, content and theme of the film; or
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified there from; or
- is not suitable for unrestricted or restricted public exhibitions, i.e., that the film be refused a certificate.

A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government under the Cinematograph Act within thirty days from the date of such order.



# THE CINEMATOGRAPH FILM RULES, 1948

The Cinematograph Film Rules, 1948, ("Cinematograph Rules"), require a license to be obtained prior to storing any film, unless specifically exempted. Licenses for storage of films are granted for one year and must be renewed annually. Any person transporting, storing or handling films is required to ensure compliance with requirements pertaining to, inter alia, precautions against fire, storage of loose films, minimum specifications for aisle space, exits and electrical installations in storage rooms etc. The Cinematograph Rules also specify the procedure for transport of film, and application for, or renewal, transfer, refusal and cancellation of, licenses.

# INFORMATION TECHNOLOGY ACT, 2000 AND INFORMATION TECHNOLOGY (REASONABLE SECURITY PRACTICES AND PROCEDURES AND SENSITIVE PERSONAL DATA OR INFORMATION) RULES, 2011.

The IT Act intends to (i) provide legal and lawful recognition to transactions carried out by several means of electronic data interchange involving alternatives to traditional paper-based methods of communication, correspondence and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for penal liability for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located or situated in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act prescribes for both civil and criminal liabilities which also include fines and imprisonment for computer related offences including those relating to unauthorized or unpermitted access to computer systems, tampering or in any way altering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

# **DIGITAL PERSONAL DATA PROTECTION ACT, 2023**

This act was first introduced as a bill in 2019 as The Personal Data Protection Bill, 2019. The bill was introduced in Lok Sabha by the Minister of Electronics and Information Technology, Mr. Ravi Shankar Prasad, on December 11, 2019. The act received the assent of the President on the 11th of August 2023 and came into force.

The act aims to provide for protection of the privacy of individuals relating to their personal data, specify the flow and usage of personal data, create a relationship of trust between persons and entities processing the personal data, protect the fundamental rights of individuals whose personal data are processed, to create a framework for organizational and technical measures in processing of data, laying down norms for social media intermediary, cross-border transfer, accountability of entities processing personal data, remedies for



unauthorized and harmful processing, and to establish a Data Protection Authority of India for the said purposes and for matters connected there with or incidental thereto.

# **LABOUR LAWS**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India

# EMPLOYEES' COMPENSATION ACT, 1923, AS AMENDED

The Employee's Compensation Act, 1923 came into force on July 1, 1924. The act has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Indian Parliament approved certain amendments to the Employee's Compensation Act, 1923, as amended, to substitute, inter-alia, references to "workmen" with "employees" including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees' Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees' Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee willfully disobeyed safety rules or willfully removed or disregarded safety devices.

# THE INDUSTRIAL DISPUTES ACT, 1947 AND INDUSTRIAL DISPUTE (CENTRAL) RULES, 1957:

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

# THE EMPLOYEES' PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT, 1952:

The EPFA came into force on March 4, 1952 and amended on September 1, 2014. Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, the employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.



# THE EMPLOYEES' STATE INSURANCE ACT, 1948 (THE "ESI ACT"):

The Employees State Insurance Act of 1948 has been enacted with the objective of securing financial relief in cases of sickness, maternity and 'employment injury' to employees of factories and their dependent and to make provision for certain other matters in relation thereto. The Act is applicable to all the Factories including Factories belonging to the Government. Further, employer and employees both are required to make contribution to the fund at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints. 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.

# THE PAYMENT OF BONUS ACT, 1965:

The payment of Bonus Act, 1965 aims to regulate the amount of bonus paid to the persons employed in certain establishments based on their profits and productivity. Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, is eligible to be paid a bonus. It further provides for the payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary. The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease

(In this case the minimum requirement of five years does not apply)



# THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986:

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time ("Child Labour Act") was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

# **TAXATION LAWS**

In addition to the aforementioned legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income Tax Act, 1961, the Income Tax Rules, 1962, as amended by Finance Act in respective years;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various
- State-wise legislations made thereunder;
- The Integrated Goods and Service Tax Act, 2017;
- Professional Tax state-wise legislations;

# **INTELLECTUAL PROPERTY RIGHT ACTS**

# THE TRADEMARKS ACT, 1999 ("TRADEMARKS ACT")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying trademarks.

Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

# THE COPYRIGHT ACT, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "Copyright Laws") serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works,

# THE PATENTS ACT, 1970 ("PATENTS ACT")

The patent regime in India is governed by the Patents Act and rules and regulations made thereunder. Pursuant to the TRIPS Agreement, product patent regime with a protection period of 20 years became applicable in India. The patent regime protects inventions through patents. The amended Patents Act defines "inventive step"



to mean a feature of an invention that involves a technical advance as compared to the existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention.

# THE DESIGNS ACT, 2000 (THE "DESIGNS ACT")

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same before the Controller- General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

# **FOREIGN REGULATIONS**

# **FOREIGN EXCHANGE MANAGEMENT ACT, 1999:**

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ("FEMA") was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India 102 and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

# **FEMA REGULATIONS:**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.



# THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992 ("FTA"):

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

# **ENVIRONMENTAL LAWS**

# THE ENVIRONMENT (PROTECTION) ACT OF 1986 ("EPA")

The EPA has been formulated by the Government of India for the protection and improvement of the environment in India and for matters connected there with. The EPA is an umbrella legislation designated to provide a framework for the Government of India to co-ordinate activities of various state and central authorities established under previous environmental laws. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution.

# THE AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981, ("AIR ACT")

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in a state. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

# THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974, ("WATER ACT")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines, or imprisonment, or both.



# **GENERAL LEGISLATIONS**

# THE INDIAN CONTRACT ACT, 1872:

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

# THE COMPETITION ACT, 2002:

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

# THE INDIAN STAMP ACT, 1899

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

# THE REGISTRATION ACT, 1908

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

# **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonor 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.

# PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882. In addition,



regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

# **LIMITATION ACT, 1963**

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, \_period of limitation 'means the period of limitation prescribed for any suit, appeal or application by the Schedule, and \_prescribed period 'means the period of limitation computed in accordance with the provisions of this Act.

# **LOCAL LAWS:**

# THE DELHI SHOPS AND ESTABLISHMENT ACT OF 1954

The Act, which received the assent of the President on 19th June, 1954, came into force with effect from the 1st of February, 1955, vide Notification No. F.5/51-1 & L, dated 17th January, 1955. All commercial enterprises that sell goods or services are obliged to get a license from their municipality under the Shops and Establishments Act. The Delhi Shops and Establishments Act, 1954 was enacted in order to regulate the working conditions of people employed in such shops and establishments. The Delhi Shops and Establishment Act of 1954 should be enforced for a number of reasons, including improved working conditions for employees, peace and harmony between employers and employees, and improved operation of the shops and other commercial establishments.

The Act seeks to amend and consolidate the law relating to the regulation of hours of work, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops, commercial establishments, establishments for public entertainment or amusement and other establishments and to provide for certain matters connected therewith.

# MAHARASHTRA SHOPS AND ESTABLISHMENTS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 2017

The Government of Maharashtra has notified the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 with effect from September 7, 2017. The Act replaces the



erstwhile Maharashtra Shops and Establishments Act, 1948. Every establishment employing ten or more workers shall register under the Act by making an application in the prescribed manner. The above registration shall not be applicable to establishments already having a valid registration under the existing Maharashtra Shops and Establishments Act, until the expiry of their registration. The Act has introduced a new concept for the safety of women employees. The Act prohibits discrimination of women employees in the matter of recruitment, training, transfers or promotion or wages. In addition to regulations mention above, our Company may also require to comply with the provisions other applicable statutes imposed by the Central or the State for its day-to-day operations

# THE UTTAR PRADESH DOOKAN AUR VANIJYA ADHISHTHAN ADHINIYAM, 1962

The Act received the assent of the President on December 18, 1962, under Article 201 of 'the Constitution of India' and was published in the Uttar Pradesh Gazette Extraordinary, dated December 26, 1962. It extends to the whole of Uttar Pradesh. An Act to consolidate and amend the law relating to the regulation of conditions of work and employment in the shops and commercial establishments.

The Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

Every owner of a shop or commercial establishment shall within three months of the commencement of such business or within three months of the commencement of the Uttar Pradesh Dookan Aur Vanijya Adhisthan (Sansodhan) Adhiniyam, 1976, whichever is later, apply to the Chief Inspector for registration of his shop or commercial establishment.

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# **OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS**

# HISTORY OF OUR COMPANY

Our Company was incorporated as a private limited company with the name of "Ullu Digital Private Limited" under the Companies Act, 2013 vide certificate of incorporation dated January 02, 2019, issued by Registrar of Companies, Delhi, bearing CIN U92100DL2019PTC343697. Further, our company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Annual General Meeting held on September 28, 2023 & name of our Company changed from "Ullu Digital Private Limited" to "Ullu Digital Limited" & Registrar of Companies, Delhi has issued a new certificate of incorporation consequent upon conversion dated October 30, 2023, bearing CIN: U92100DL2019PLC343697

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, exhibition, exploitation, promotion, marketing and delivery of diverse content on our platform/app named "Ullu". Our platform/app provides a diverse range of web series, short films and shows to our audience. We offer a mix of romance, drama, thriller, comedy and other genres to cater to the varied tastes of its audience.

We collaborate with various production houses or independent creators or writers who take the lead in developing the concepts, scripts, and storylines. Thereafter, the responsibilities are distributed among various stakeholders, including production companies, and other professionals. Our company is involved in deciding the budget and reviewing and providing feedback, but on-the-ground execution of the project is solely done by the production house.

Furthermore, our in-house team of content writers generates specific scripts, which are then entrusted to our reliable and independent production houses, while other scripts originate from the creative input of collaborating with production houses.

Although the production house handles the entire pre-production and production processes, our company is involved in post- production process and maintains ownership of all rights including Intellectual Property rights, copyrights, character rights as well as Distribution, exploitation, and marketing rights of the content across the entire territory and in perpetuity. The production house is responsible for obtaining necessary approvals for content production. Therefore, our company holds exclusive and sole rights over the content.

We refrain from providing any advance payment for content/project development to production houses. Payments are made solely upon the successful delivery of the content, thereby relieving our company from any associated liabilities or losses.

The app/platform operates on a subscription-based model. Users can subscribe to the app to access a vast library of content, including both existing content and new releases. The subscription model allows us to sustain our content creation efforts and maintain a dedicated viewer base. The cost-effective subscription plan enables us to attract a higher number of subscribers.

# **Background of Promoters**

We have 2 (Two) Individual Promoters, Mr. Vibhu Agarwal, who is also the Managing Director of the company and Mrs. Megha Agarwal, who is the Whole time Director of the company.



Mr. Vibhu Agarwal, with an overall experience of 11 years in the media and entertainment sector, serves as the promoter and Managing Director of the company. He is the co-founder of "Ullu Digital Limited," the company behind the "Ullu app." Holding a graduate degree from the University of Lucknow, Uttar Pradesh. He embarked on his professional journey in 1995, initially establishing himself as a supplier of Plywood, Plywood shutters, and Flush Doors to various government departments in the State of Uttar Pradesh. Over the course of more than 25 years, he has gained valuable experience across multiple industries.

Mrs. Megha Agarwal is the Whole- time director and promoter of the company, having an experience of 10 years in the media and entertainment Industry. She is the co-founder of "Ullu Digital Limited." holding a graduate degree from the University of Lucknow, Uttar Pradesh. She is also a co-founder and Trustee of "Shri Jai Prakash Charitable Trust" established in the year 2013. She is currently monitoring internal control of financial matters of "Japeeco India Private Limited", "Himalaya Fiber Tech Cement Private Limited", "Ullu Digital Private Limited" and "Atrangii Network Private Limited."

#### CHANGES IN OUR REGISTERED OFFICE

The Registered Office of the Company is presently situated at 901, Kanchanjunga Building18, Barakhamba Road, Janpath, Central Delhi, Delhi-110001, India. The details of change of Registered Office of the Company are as follows:

<b>Date of Change</b>	Shifted from	Shifted to
	Shop No.1, Block No.8, Tribhuvan	2nd Floor, 201C/6 D-21, Corporate
01-02-2021	Complex, Ishwar Nagar, Okhla, New Delhi,	Park, Dwarka, New Delhi, West Delhi,
South Delhi, Delhi - 110065, India		Delhi - 110077, India
	2nd Floor, 201c/6 D-21, Corporate Park,	901, Kanchanjunga Building18,
18-12-2023	Dwarka, New Delhi, West Delhi, Delhi -	Barakhamba Road, Janpath, Central
110077, India		Delhi, Delhi-110001, India

## MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To Carry on Business as Subscription Video on demand, Entertainment services; publication of printed matter; book, audiobook, newspaper, magazine and web magazine publishing; publishing of electronic publications; providing non-downloadable electronic publications; lending and rental of books, audiobooks and other publications; digital imaging services; providing non-downloadable videos, films, movies and television shows via a video-on-demand service; film and video rental services; film, movie, TV show and video production and distribution; creating and developing concepts for movies and television programs; audio and video recording services; providing online radio programming; digital audio, video and multimedia publishing services; providing non-downloadable prerecorded music and audio; providing online information and commentary in the field of music and audio; presenting live musical concerts and performances; music production services; music publishing services; providing online video games; providing online non downloadable game software; publishing of game software; production of video and computer game software; rental of video games; entertainment services, namely, live performances by video game players; entertainment services, namely, providing online videos featuring games being played by others; entertainment services, namely, providing virtual environments in which users can interact for recreational, leisure or entertainment purposes; entertainment services, namely, providing on-line virtual goods for use in virtual environments created for entertainment purposes; providing an online website portal



for consumers to play on-line computer games and electronic games and share game enhancements and game strategies; arranging and conducting competitions and tournaments for video game players; organizing video gaming leagues; providing enhancements within online video games, namely enhanced levels of game play; publishing of reviews; providing a web site featuring the ratings, reviews and recommendations of users in the fields of entertainment and education; providing ratings and reviews of television, movies, videos, music, screenplays, scripts, books and video game content; entertainment information; providing online news, information and commentary in the field of entertainment; blogs featuring information about entertainment; entertainment services, namely, profiling of musicians, artists and bands; providing a subscription based website featuring non-downloadable music, radio, movies, TV shows, videos and information about music, albums, artists and songs; arranging of contests and sweepstakes; hosting online sweepstakes and contests for others

# AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:

Since incorporation, there has been following amendment made to the MoA of our Company:

Date of	Particulars of Amendment
Amendment	
May 29, 2019	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 10,00,000/- to Rs.
	20,00,000/-
April 12, 2022	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 20,00,000/- to Rs.
	1,00,00,000/-
February 04,	Alteration in Memorandum of Association due to increase in Authorized share capital.
2023	The Authorized Share Capital was increased from existing Rs. 1,00,00,000/- to Rs.
	10,00,00,000/-
October 30,	Alteration of Name clause of Memorandum of Association and subsequently the
2023	company was converted from Private Limited Company into Public Limited Company
January 08,	Alteration in Memorandum of Association due to increase in Authorized share capital.
2024	The Authorized Share Capital was increased from existing Rs. 10,00,00,000/- to Rs.
	25,00,00,000/-

#### **KEY EVENTS AND MILESTONES:**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Particulars
2019	Incorporation of Company
2019	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 10,00,000/- to Rs.
	20,00,000/-
2022	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 20,00,000/- to Rs.
	1,00,00,000/-
2023	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 1,00,00,000/- to Rs.
	10,00,00,000/-



2023	Alteration of Name clause of Memorandum of Association and subsequently the
	company was converted from Private Limited Company into Public Limited Company
2024	Alteration in Memorandum of Association due to increase in Authorized share capital.
	The Authorized Share Capital was increased from existing Rs. 10,00,00,000/- to Rs.
	25,00,00,000/-

#### DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Our Business", "Management Discussion and Analysis of Financial Conditions" and "Basis for Issue Price" on page 167, 296, 126 of this Draft Red Herring Prospectus respectively.

#### HOLDING COMPANY OF OUR COMPANY

Our Company does not have any holding company as on the date of filing of this Draft Red Herring Prospectus.

#### SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have any subsidiary company as on the date of filing of this Draft Red Herring Prospectus

#### OTHER DECLARATIONS AND DISCLOSURES

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

# FUND RAISING THROUGH EQUITY OR DEBT

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled "*Capital Structure*" beginning on page number 78 respectively, of this Draft Red Herring Prospectus.

#### REVALUATION OF ASSETS

Our Company has not re-valued its assets since its incorporation.

# CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT

Other than as stated in this Draft Red Herring Prospectus, there has been no change in the activities being carried out by our Company since incorporation till the date of this Draft Red Herring Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

# INJUNCTIONS OR RESTRAINING ORDERS

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



# DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS /BANKS

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

#### STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

# TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### SHAREHOLDERS' AGREEMENT

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

#### STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

# FINANCIAL PARTNERS

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial partners.

# **ACQUISITION OF BUSINESS / UNDERTAKINGS**

There is no Merger, Amalgamation, Acquisition of Business or Undertaking etc. with respect to our Company and we have not acquired a business undertaking since inception.

# DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS

There has been no divestment by the Company of any business or undertaking since inception.

#### NUMBER OF SHAREHOLDER OF OUR COMPANY

Our Company has 7 (seven) shareholders as on date of this Draft Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled "Capital Structure" beginning on page 78 of this Draft Red Herring Prospectus.



# **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled "Our Business" and "Our History and certain corporate matters" on page 167, 212 respectively of this Draft Red Herring Prospectus.

#### **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled "Financial Statements" beginning on page 252 of this Draft Red Herring Prospectus.

# **COLLABORATION AGREEMENT**

As on the date of this Draft Red Herring Prospectus, our Company has entered into certain collaboration agreements with Ullu Digital Australia Pty Ltd., Atrangii Network Private Limited and Hindustan Media Ventures Limited. For details regarding Collaboration Agreement, please refer to the chapter titled "Our Business" on page number 167 of this Draft Red Herring Prospectus.

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# **OUR MANAGEMENT**

#### **BOARD OF DIRECTORS**

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consists of 6 (Six) Directors, out of which 3 (Three) are Executive Directors and 3 (Three) are Non-Executive Directors out of which 2 (Two) directors are Independent Directors. Mr. Vibhu Agarwal is the Managing Director of our Company.

S.N.	Name	DIN/PAN	Category	Designation
1.	Vibhu Agarwal	01270640	Executive	Managing Director
2.	Megha Agarwal	02140699	Executive	Whole Time Director
3.	Shobhit Singh Chauhan	10252227	Executive	Whole Time Director
4.	Vivek Sangal	07183195	Non-Executive	Director
5.	Sunil Agarwal	10068195	Non-Executive	Independent Director
6.	Bhavika Yash Ghuntla	10084723	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

1 Vibhu Agarwal  Designation: Managing Director  Address: 193, Jaypee House, Gautam Budh Marg, Bansmandi, Lucknow, UP- 226018  Date of Birth: 23/05/1977  Qualification: Bachelor of Arts from University of Lucknow, Uttar Pradesh.  Occupation: Business  Campanies  1,07,23,800 Equity Shares (61.75%) of the Pre- Issue Equity Share capital  Years  Private Limited  2. Jaypeeco India Private Limited  3. Ullu 99 Ecom Private Limited  4. Atrangii Network Private Limited  5. Himalaya Fibertech Cement Private Limited  Term: 5 years from 23-01-2024  Date of First Appointment: 02/01/2019  Date of Appointment as MD: 23/01/2024  Date of Appointment as MD: 23/01/2024	S.N.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	No. of Equity Shares held & % of pre issue shareholding	Other Directorship/partner
Nil  DIN: 01332187		Designation: Managing Director  Address: 193, Jaypee House, Gautam Budh Marg, Bansmandi, Lucknow, UP- 226018  Date of Birth: 23/05/1977  Qualification: Bachelor of Arts from University of Lucknow, Uttar Pradesh.  Occupation: Business  Nationality: Indian  Term: 5 years from 23-01-2024  Date of First Appointment: 02/01/2019  Date of Appointment as MD: 23/01/2024	_	Equity Shares (61.75%) of the Pre- Issue Equity	Companies  1. Jaypeeco Steels Private Limited  2. Jaypeeco India Private Limited  3. Ullu 99 Ecom Private Limited  4. Atrangii Network Private Limited  5. Himalaya Fibertech Cement Private Limited  Indian Public Companies Nil  Section 8 companies



				<b>Indian LLPs</b> Nil
2	Megha Agarwal			Indian Private
	Designation: Whole Time Director  Address: 193 Gautam Budh Marg opposite hotel Asha near Bans mandi crossing Aminadab park Lucknow Uttar Pradesh – 226018  Date of Birth: 22/03/1982  Qualification: Bachelor of Arts from University of Lucknow, Uttar Pradesh.  Occupation: Business	41 Years	57,75,000 Equity Shares (33.25%) of the Pre- Issue Equity Share capital	1. Jaypeeco India Private Limited 2. Ullu 99 Ecom Private Limited 3. Atrangii network private limited 4. Himalaya Fibertech cement private limited.  Indian Public Companies
	-			Nil
	Nationality: Indian			Section 8 companies
	<i>Term:</i> 5 Years from 30/09/2022			Nil
	Date of First Appointment: 02/01/2019			Indian LLPs
	Date of Appointment as WTD: 30/09/2022			Nil
	<b>DIN:</b> 01726545			
3	Shobhit Singh Chauhan			Indian Private
	Designation: Whole-time director		NIL	Companies
	Address: 345/010-h Bagh, Shitlaji,	40		Nil
	sachiwalay colony, Rajaji Puram, Lucknow, Uttar Pradesh 226017.	Years		Indian Public Companies
	Date of Birth: 26/10/1983			Nil
	<b>Qualification:</b> Bachelor of Laws (LLB)			Section 8 companies
	Occupation: Service			Nil
	-			Indian LLPs
	Nationality: Indian			Nil
	<i>Term:</i> upto 30/09/2028			
	Date of Appointment as Director: 29/08/2023			



	Date of Appointment as Whole-Time Director: 01/10/2023 DIN: 10297594			
4	Vivek Sangal	41	NIL	Indian Private
	<b>Designation:</b> Non-Executive Director	Years	NIL	Companies
	Address: 361, Moti Nagar, Lucknow			1. Jaypeeco Steels
	Cantonment, Lucknow, Uttar Pradesh -			Private Limited
	226002			Indian Public Companies
	<b>Date of Birth:</b> 14/04/1982			Nil
	Qualification: Bachelor of Commerce			Section 8 companies
	Occupation: Service			Nil
	<i>Nationality</i> : Indian			Indian LLPs
	Date of Appointment as Additional Director: 23/01/2024			Nil
	Date of Appointment as Non-Executive Director: 08/02/2023			
	<b>DIN:</b> 07183195			
5	Sunil Agarwal	32 Years	NIL	Indian Private Companies
	<b>Designation:</b> Independent Director			Nil
	Address: Shop no C-11, New Anaj Madi Srimadhopur, Sikar, Rajasthan - 332715			Indian Public
	<b>Date of Birth:</b> 10/02/1991			Companies
	-			<ol> <li>Kisan Mouldings Limited</li> </ol>
	Qualification: Chartered Accountants			2. Utssav Cz Gold
	Occupation: Service			Jewels Limited
	<i>Nationality</i> : Indian			Section 8 companies
	<i>Term:</i> 5 Years from 29/12/2023			Nil
	Date of Appointment as Additional			Indian LLPs



	Director: 29/12/2023			Nil
	Date of Appointment as Independent Director: 19/01/2024			
	<b>DIN:</b> 10068195			
6	Bhavika Yash Ghuntla	29 Years	NIL	Indian Private
	Designation: Independent Director			Companies
	A.1. A.1002 G.1.1 G. 1. GUG			Nil
	<i>Address:</i> A-1902 Gokul Concorde CHS, Dattani Park, Thakur Village, Near Western			Indian Public
	Express Highway, Kandivali East, Mumbai,			Companies
	Mumbai Suburban, Maharashtra - 400101,			1. Kisan Mouldings
	India			Limited
	Date of Birth: 07/11/1994			Section 8 companies
	Qualification: Company Secretaries			Nil
	Occupation: Business			Indian LLPs
	Nationality: Indian			1. SSRBG & Associates Company
	<i>Term:</i> 5 Years from 29/12/2023			Secretaries LLP
	Date of Appointment as Additional Director: 29/12/2023			
	Date of Appointment as Additional Director: 19/01/2024			
	<b>DIN:</b> 10084723			

# BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

**Mr. Vibhu Agarwal,** with an overall experience of 11 years in the media and entertainment sector, serves as the promoter and Managing Director of the company. He is the co-founder of "Ullu Digital Limited," the company behind the "Ullu app." Holding a graduate degree from the University of Lucknow, Uttar Pradesh. He embarked on his professional journey in 1995, initially establishing himself as a supplier of Plywood, Plywood shutters, and Flush Doors to various government departments in the State of Uttar Pradesh. Over the course of more than 25 years, he has gained valuable experience across multiple industries.

Mrs. Megha Agarwal is the Whole- time director and promoter of the company, having an experience of 10 years in the media and entertainment Industry. She is the co-founder of "Ullu Digital Limited." holding a graduate degree from the University of Lucknow, Uttar Pradesh. She is also a co-founder and Trustee of "Shri



Jai Prakash Charitable Trust" established in the year 2013. She is currently monitoring internal control of financial matters of "Japeeco India Private Limited", "Himalaya FiberTech Cement Private Limited", "Ullu Digital Private Limited" and "Atrangii Network Private Limited."

Shobhit Singh Chauhan, aged 40 years, serves as the Whole-Time Director of the company. He obtained his Degree in Bachelor of Laws (LLB). He Started his professional career in the field of Finance and Accounts which includes Taxation & preparation of financial matters in the year 2004 and showed his professional acumen for 19 years up to 2023 which is still continuing in various organizations, institution, Trust and companies such as Monitoring internal control of Financial matters of "Japeeco India Private Limited" dealing with steel trading business of prominent steel manufactures and in cement trading business by "Himalaya Fibretech Cement Private Limited."

**Vivek Sangal,** aged 41 years, serves as the Non-Executive Director of the company. He obtained his degree in Bachelor of Commerce in the year 2003 and has over 20 years of experience in the finance and accounting field. He has been a finance director in the steel and cement industry from the year 2006 to the year 2016. In the past 20 years he has developed certain financial analysis, budgeting, accounting, strategic planning, leadership and risk management skills over the years.

**Sunil Agarwal,** aged 33 years, serves as the Independent Director of the company. He is a Member of the Institute of Chartered Accountants of India and has over 10 years of extensive experience. He holds expertise in Financial Services, Advisory, Investment Advisory and Risk Management Consulting. He also holds a strong ability to solve complex company problems using excellent judgement and decision-making skills, he is known in the industry for fostered change in company culture to be more open, transparent, and accountable.

He has worked closely with large corporates and retail customers throughout his journey. He is currently an Independent Director on the Boards of some companies. He is currently an Independent Director on the Board of Kisan Mouldings Limited and Utssav Cz Gold Jewels Limited.

**Bhavika Yash Ghuntla,** aged 29 years, serves as the Independent Director of the company. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She has more than five years of experience in the Secretarial field. She has been practicing in the field of Corporate Compliance for the past 2 years. Before getting into practice, she worked for various Group of Listed Companies. She has handled various assignments which include Business set-up services, Secretarial Audit, Secretarial Compliance Services, Corporate Restructuring, Audit, Certification, ROC, SEBI & Listing Agreement Compliances etc.

She is an Independent Director on the Board of Kisan Mouldings Limited. She is also a Designated Partner of SSRBG & Associates Company Secretaries LLP.

#### Note:

None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.

- 1) None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 2) None of the Promoters, Directors, or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.



#### FAMILY RELATIONSHIP BETWEEN DIRECTORS

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

S. No.	Name of the Director	Designation	Relationship with other Director
1.	Mr. Vibhu Agarwal	Managing Director	Husband of Megha Agarwal
2.	Mrs. Megha Agarwal	Whole time Director	Wife of Vibhu Agrawal

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension.

None of our Directors is / was a director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting.

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

Details of arrangement or understanding with major shareholders, consumers, suppliers or others, pursuant to which of the Directors were selected as a director or member of senior management.

There are no arrangements or understandings with major shareholders, consumers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.

# TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS

# i. Executive Directors

Name	Vibhu Agarwal
Designation	Managing Director
Period	5 years from 23-01-2024
Date of Board Meeting	23-01-2024
Date of approval of shareholder	08-02-2024
Remuneration	15,00,000/- Per Month
	Other perquisites and all cost and other charges incurred by him in the
Perquisite	discharge and execution of his duties as Managing Director.
Name	Megha Agarwal
Designation	Whole Time Director
Period	5 Years from 30-09-2022
Date of approval of shareholder	30-09-2022
Remuneration	10,00,000/- Per Month



Perquisite	Other perquisites and all cost and other charges incurred by him in the discharge and execution of his duties as whole time Director.
Name	Shobhit Singh Chauhan
Designation	Whole-time director
Period	5 Years from 01-10-2023
Date of Approval of shareholder	01-10-2023
Remuneration	60,000/- Per Month
Perquisite	Other perquisites and all cost and other charges incurred by him in the discharge and execution of his duties as whole time Director.

# ii. Non-Executive Directors and Independent Director

Our Company will not pay any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013. The sitting fees of Rs. 10,000/- shall be paid to the Non-Executive Directors and Independent Directors as per the terms and conditions mentioned in their letter of appointment and as per the resolution passed by the company in the duly convened board meeting.

Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

#### SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
1.	Vibhu Agarwal	1,07,23,800	61.75%
2.	Megha Agarwal	57,75,000	33.25%
	Total	1,64,98,800	95.00%

# INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances Provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.



The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

# Interest in promotion of Our Company

Except Promoters, none of our directors have any interest in the promotion of our Company.

# Interest in the property of Our Company

The Branch Office of the company situated at 102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar Pradesh, India, 226001, India, which is owned by Mr. Vibhu Agarwal. He has given a No objection certificate to the company for using the property as its branch office.

Besides aforementioned, our directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

# Interest in the business of Our Company

Save and except as stated otherwise in "Related Party Transaction" in the chapter titled "Financial Information" beginning on page number 279 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

# Details of service contracts

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.



# Bonus or profit-sharing plan for the directors

There is no bonus or profit-sharing plan for the Directors of our Company.

# Contingent and deferred compensation payable to directors

No Director has received or is entitled to any contingent or deferred compensation.

#### Other indirect interest

Except as stated in chapter titled "Financial Information" beginning on page 252 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our directors.

# Borrowing power of the Board

Pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, money to be borrowed together with the money already borrowed by the company does not exceed aggregate of the paid-up capital and free reserve of the company.

#### CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Director	Date of Event	Reason for Change
Vibhu Agarwal	30-09-2022	Appointed as Whole Time Director
Vibhu Agarwal	23-01-2024	Change in designation to Managing Director
Megha Agarwal	30-09-2022	Appointed as Whole Time Director
Shobhit Singh Chauhan	29-08-2023	Appointed as Additional Director
Shobhit Singh Chauhan	28-09-2023	Regularization as an Executive Director
Shobhit Singh Chauhan	01-10-2023	Appointed as Whole Time Director
Vivek Sangal	08-02-2024	Appointed as Non-Executive Director
Sunil Agarwal	19-01-2024	Appointed as Independent Director
Bhavika Yash Ghuntla	19-01-2024	Appointed as Independent Director

# **Management Organizational Structure**

For Management Organizational Structure please refer to the chapter titled "Our Business" on page number 167 of this Draft Red Herring Prospectus.

# **CORPORATE GOVERNANCE**

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our



Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

- 1. Audit Committee
- 2. Nomination and Remuneration Committee
- 3. Stakeholders Relationship Committee

#### **AUDIT COMMITTEE**

The Audit Committee was constituted *vide* Board resolution dated February 07, 2024, pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Sunil Agarwal	Chairperson	Independent Director
Bhavika Yash Ghuntla	Member	Independent Director
Shobhit Singh Chauhan	Member	Whole- time Director

Our Company Secretary and Compliance Officer will act as the secretary of the Committee.

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

- 1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- 5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency



- monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7. Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- 8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- 9. Scrutiny of inter-corporate loans and investments.
- 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
- 11. Evaluation of internal financial controls and risk management systems.
- 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of theinternal control systems.
- 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14. Discussion with internal auditors on any significant findings and follow up thereon.
- 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit aswell as post-audit discussion to ascertain any area of concern.
- 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- 18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 20. Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

# The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives as it considers appropriate (and particularly head of the finance function) to be present at the meetings of the committee, but on the occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of the internal audit committee

# The Audit Committee shall mandatorily review the following information:

- 1. Management Discussion and Analysis of financial condition and results of operations.
- 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- 3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
- 4. Internal audit reports relating to internal control weaknesses.
- 5. The 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 appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to



review by the Audit Committee.

The Audit Committee shall meet at least four times in a year and more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on February 07, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Sunil Agarwal	Chairman	Independent Director
Bhavika Yash Ghuntla	Member	Independent Director
Vivek Sangal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer will act as the secretary of the Committee.

# The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

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

The Meetings of the Committee shall be held at such regular intervals as may be required. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at least one independent director.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

# STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been formed by the Board of Directors, at the meeting held on February 07, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholder's Relationship



# Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Vivek Sangal	Chairman	Non-Executive Director
Vibhu Agarwal	Member	Managing Director
Shobhit Singh Chauhan	Member	Whole Time Director

Our Company Secretary and Compliance Officer will act as the secretary of the Committee.

# This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

- 1. Allotment and listing of our shares in future
- 2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- 3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;
- 4. Reference to statutory and regulatory authorities regarding investor grievances;
- 5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- 6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The stakeholder's relationship is required to meet at least once in a year.

Any members of this committee may be removed or replaced at any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

# INITIAL PUBLIC OFFER COMMITTEE

The Initial Public Offer Committee has been formed by the Board of Directors, at the meeting held on February 07, 2024. As on the date of this Draft Red Herring Prospectus the Initial Public Offer Committee comprises of:

Name of the Director	<b>Designation in the Committee</b>	Nature of Directorship
Vibhu Agarwal	Chairman	Managing Director
Shobhit Singh Chauhan	Member	Whole Time Director
Megha Agarwal	Member	Whole Time Director

The Company Secretary shall act as the secretary of the IPO Committee.

# The terms of reference of the IPO Committee include the following:

- a) Approving amendments to the memorandum of association and the articles of association of the Company;
- b) Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies:



- Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- d) Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- e) Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
- f) Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be issued in the Issue, including any rounding off in the event of any oversubscription as permitted under Applicable Laws;
- g) Taking all actions as may be necessary or authorized in connection with the Issue;
- h) Appointing and instructing book running lead manager, syndicate members, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
- i) Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
- j) Entering into agreements with, and remunerating all the book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
- k) Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing application to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchanges;
- Seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered
  into various commercial and other agreements, all concerned government and regulatory authorities in
  India or outside India, and any other consents that may be required in connection with the Issue;
- m) Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
- Determining the price at which the Equity Shares are issued to investors in the Issue in accordance with Applicable Laws, in consultation with the book running lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;



- o) Determining the price band and minimum lot size for the purpose of bidding in accordance with applicable laws, any revision to the price band and the final Issue price after bid closure;
- p) Determining the bid/issue opening and closing dates;
- q) Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in accordance with the applicable laws and in consultation with the book running lead manager, the Stock Exchanges;
- r) Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
- s) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- Severally authorizing Mr. Shobhit Singh Chauhan, Mrs. Megha Agarwal and Mr. Vibhu Agarwal ("Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memorandum of understanding, the listing agreement with the stock exchange, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
- u) Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
- v) Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing



- and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
- w) Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

# **Compliance with SME Listing Regulations**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE.

#### KEY MANAGERIAL PERSONNEL

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

Name		Mr. Vibhu Agarwal	
Designation	:	Managing Director	
Date of Appointment	:	02-01-2019	
Date of Appointment	:	23-01-2024	
(Managing Director)		23-01-2024	
Term of Office	:	5 years from 23-01-2024	
Expiration of Term	:	22-01-2029	
Qualification	:	Graduate from University of Lucknow, Uttar Pradesh.	
Previous Employment	:	Not Applicable	
Overall Experience	:	11 years	
Remuneration paid in F.Y.	:	15,00,000/- p.m.	
2022-23)		15,00,000/- p.m.	
Name		Mrs. Megha Agarwal	
Designation	:	Whole time Director	
Date of Appointment	:	02/01/2019	
Qualification	:	Graduate from University of Lucknow, Uttar Pradesh	
Previous Employment	:	Not Applicable	
Overall Experience	:	10 years	
Remuneration paid in F.Y.	:	10,00,000/- p.m.	
2022-23)		10,00,000 p.m.	
Name		Mr. Shobhit Singh Chauhan	
Name Designation	:	Mr. Shobhit Singh Chauhan Whole-time director	
	:		
Designation	: : : : : : : : : : : : : : : : : : : :	Whole-time director	
Designation Date of Appointment	-	Whole-time director 29/08/2023	



Remuneration paid in F.Y. 2022-23)	:	60,000/- p.m.	
Name	:	Mr. Avinash Dugar	
Designation	:	Chief Executive Officer	
Date of Appointment	:	24/08/2023	
Qualification	:	Bachelor of Commerce (B. Com)	
Previous Employment	:	Not Applicable	
Overall Experience	:	13 Years	
Remuneration paid in F.Y. 2022-23)	:	3,70,833/- p.m.	
Name	:	Mr. Rajesh Agarwal	
Designation	:	Chief Financial Officer	
Date of Appointment :		23/01/2024	
Qualification :		Bachelor of Commerce (B. Com)	
Previous Employment :		Not Applicable	
Overall Experience	:	30 Years	
Remuneration paid in F.Y. 2022-23)	:	5,00,000/- p.m.	
Name	:	Ms. Sheriya Jain	
Designation	:	Company Secretary & Compliance Officer	
Date of Appointment	: 23/01/2024		
Qualification	:	Company Secretary	
Previous Employment	:	Not Applicable	
Overall Experience	:	1.5 years of experience	
Remuneration paid in F.Y. 2022-23)	:	50,000/- p.m.	

# Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, consumers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

#### FAMILY RELATIONSHIP BETWEEN KMP

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

#### BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.



# CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except the following, none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

S. No	Name of the KMP	Designation		% of pre-issue paid-up Share capital
1	Vibhu Agarwal	Managing Director	1,07,23,800	61.75%
2	Megha Aggarwal	Whole- Time Director	57,75,000	33.25%

#### INTEREST OF KEY MANAGERIAL PERSONNEL

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

# CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel (KMP) during the last three years:

Sr.	Name of KMP	Date of Joining	Reason for Change
No.			
1.	Vibhu Agarwal	30-09-2022	Appointment as Whole- Time Director
2.	Vibhu Agarwal	23-01-2024	Change in Designation to Managing Director
3.	Megha Agarwal	30-09-2022	Appointment as Whole- Time Director
4.	Shobhit Singh Chauhan	01-10-2023	Appointment as Whole- Time Director
5.	Avinash Dugar	24-08-2023	Appointment as Chief Executive Officer
6.	Rajesh Agarwal	23/01/2024	Appointment as Chief Financial Officer
7.	Sheriya Jain	23/01/2024	Appointment as Company Secretary

Note: 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.

# SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

# LOANS TO KEY MANAGERIAL PERSONNEL

Except as provided in restated financial statement in the chapter "Financial Information" beginning on page 252 of the Draft Red Herring prospectus, there are no loans outstanding against the key managerial personnel



as on the date of this Draft Red Herring Prospectus.

# PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "Financial Information" and the chapter titled "Our Business" beginning on pages 252 and 167 respectively of this Draft Red Herring Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

#### RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

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#### **OUR PROMOTERS**

# The Promoters of our Company are:

S. N.	Name	Category	No. of Shares
1.	Vibhu Agarwal	Individual	1,07,23,800
2.	Megha Agarwal	Individual	57,75,000

For details of the build-up of our promoters" shareholding in our Company, see section titled "Capital Structure" beginning on page 78 of this Draft Red Herring Prospectus.

# Brief Profile of Our Individual Promoter is as under:



"Mr. Vibhu Agarwal" with an overall experience of 11 years in the media and entertainment sector, serves as the promoter and Managing Director of the company. He is the co-founder of "Ullu Digital Limited," the company behind the "Ullu app." Holding a graduate degree from the University of Lucknow, Uttar Pradesh. He embarked on his professional journey in 1995, initially establishing himself as a supplier of Plywood, Plywood shutters, and Flush Doors to various government departments in the State of Uttar Pradesh. Over the course of more than 25 years, he has gained valuable experience across multiple industries.

Name	Vibhu Agarwal	
Age	46 Years	
Date of Birth	23-05-1977	
Address	193, Jaypee House, Gautam Budh Marg, Bansmandi, Lucknow, UP- 226018	
Qualification	Graduate from University of Lucknow, Uttar Pradesh.	
Occupation	Business	
Experience	25 Years	
No. of Equity Shares & %	1,07,23,800 Equity Shares (61.75% of the pre- issue equity share capital of	
Of Shareholding (Pre-	the company)	
Offer)		
Directorship &	Indian Private Companies:	
Other Ventures	Jaypeeco Steels Private Limited	
	2. Jaypeeco India Private Limited	
	3. Ullu 99 Ecom Private Limited	
	4. Atrangii Network Private Limited	
	5. Himalaya Fibertech Cement Private Limited	
	Indian Public Companies:	
	NIL	
	Section 8 Companies:	



NIL

Indian LLPs:

NIL



"Mrs. Megha Agarwal" is the Whole- time director and promoter of the company, having experience of 10 years in the media and entertainment Industry. She is the co-founder of "Ullu Digital Limited." holding a graduate degree from the University of Lucknow, Uttar Pradesh. She is also a co-founder and Trustee of "Shri Jai Prakash Charitable Trust" established in the year 2013. She is currently monitoring internal control of financial matters of "Japeeco India Private Limited", "Himalaya Fibre Tech Cement Private Limited", "Ullu Digital Private Limited" and "Atrangii Network Private Limited."

Name	Megha Agarwal	
Age	41 Years	
Date of Birth	22-03-1982	
Address	193 Gautam Budh Marg opposite hotel Asha near Bans mandi crossing	
	Aminadab park Lucknow Uttar Pradesh - 226018  Graduate from University of Lucknow Uttar Pradesh	
Qualification	Graduate from University of Lucknow, Uttar Pradesh	
Occupation	Business	
Experience	10 Years	
No. of Equity Shares & %	57,75,000 Equity Shares (33.25% of the pre- issue equity share capital of the	
Of Shareholding (Pre-	company)	
Offer)		
Directorship &	Indian Private Companies:	
Other Ventures	Jaypeeco India Private Limited	
	<ul><li>2. Ullu 99 Ecom Private Limited</li><li>3. Atrangii network private limited</li></ul>	
	Atrangii network private limited     Himalaya fibertech cement private limited.	
	4. Himalaya fibertech cement private limited.	
	Indian Public Companies:	
	NIL	
	Section 8 Companies:	
	NIL	
	Indian LLPs:	
	NIL	



# **Relationship of Promoters with our Directors**

Our Promoters are part of our board of directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Vibhu Agarwal	Megha Agarwal	Husband - Wife

# OTHER UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the SME Platform of BSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed forany 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.

#### INTEREST OF PROMOTERS

# Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

# Interest in the property of Our Company

The Branch Office of the company situated at 102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar Pradesh, India, 226001, India, which is owned by Mr. Vibhu Agarwal. He has given a No objection certificate to the company for using the property as its branch office.

Beside aforementioned, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

# Interest as member of Our Company

Our Promoters jointly hold 1,64,98,800 Equity Shares aggregating to 95.00% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Our Promoter given in the chapter titled *-Our Management* beginning on page number 218 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.



#### Interest as Director of our Company

Except as stated in the "*Related Party Transactions*" beginning on page number 279 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

#### Other Ventures of our Promoters

Save and except as disclosed in the chapters titled "Our Group Entities" beginning on page 243 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

# **Change in the control of Our Company**

Our current Promoters are the original promoters of our Company and there has been no significant change in the control of our Company.

For details regarding the shareholding of our promoters, please refer to chapter titled "Our Promoters" of this Draft Red Herring Prospectus.

## Litigation involving our Promoters.

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "Outstanding Litigation and Material Developments" beginning on page 312 of this Draft Red Herring Prospectus.

# Payment of benefits to our Promoters and Promoter Group during the last two years

Save and except as disclosed under "Statement of Related Party Transactions", as Restated appearing as Annexure VIII on page number 238 of the section titled "Financial Information" beginning on page number 252 of the Draft Red Herring Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

#### **Other Confirmations**

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled "Outstanding Litigation and Material Developments" beginning on page 312 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of



securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

#### Guarantees

Except as stated in the section titled "Financial Statements" beginning on page 252 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

# **Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to "Statement of Related Party Transactions", as Restated appearing as Note 29 on page number 279 of the section titled "Financial Information" beginning on page number 252 of the Draft Red Herring Prospectus.

# Information of our group companies

For details related to our group companies please refer "Our Group Entities" on page no. 243 of this Draft Red Herring Prospectus.

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# **OUR PROMOTER GROUP**

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under

# A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	Vibhu Agarwal	Megha Agarwal
Father	Late Jai Prakash Agarwal	Late Girish Kumar Goel
Mother	Shashi Agarwal	Savita Goel
Spouse	Megha Agarwal	Vibhu Agarwal
Brothers	-	Mudit Goel
	Preeti Agarwal	-
Sister	Madhu Mittal	-
	Sumati Agarwal	-
Son	Daksh Agarwal	Daksh Agarwal
Daughters	Samridhi Agarwal	Samridhi Agarwal
Spouse Father	Late Girish Kumar Goel	Late Jai Prakash Agarwal
Spouse Mother	Savita Goel	Shashi Agarwal
Spouse Brother	Mudit Goel	-
	-	Preeti Agarwal
Spouse Sister	-	Madhu Mittal
	-	Sumati Agarwal

# **Group Entities:**

Particulars	Entity
Any body corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member.	<ol> <li>Atrangii Network Private Limited</li> <li>Ullu 99 Ecom Private Limited</li> <li>Himalaya Fibertech Cement Private Limited</li> <li>Jaypeeco India Private Limited</li> <li>Ullu Digital Australia Pty Ltd</li> </ol>
Any company in which a company (mentioned above) holds 20% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total holding.	Nil

# COMMON PURSUITS OF OUR PROMOTERS

The promoter Group entities are having business objects similar to our business. Further, currently we have not entered into a non-compete agreement/arrangement with our promoter. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.



#### **OUR GROUP ENTITIES**

Below mention are the details of Companies / Entities promoted by the Promoters of our Company. No equity shares of our group entities are listed on any of the stock exchange, and they have not made any public or rights issue of securities in the preceding three years.

#### A. The Group Companies of our Company are as follows:

- 1. Atrangii Network Private Limited
- 2. Ullu 99 Ecom Private Limited
- 3. Himalaya Fibertech Cement Private Limited
- 4. Jaypeeco India Private Limited

# **Details of Group Companies**

# **ATRANGII NETWORK PRIVATE LIMITED**

# **Corporate Information**

Atrangii Network Private Limited was incorporated as "Private Limited Company" under the Companies Act, 2013 on April 29, 2022, having CIN U92490DL2022PTC397670. The certificate of incorporation was issued by the Registrar of companies, Delhi on April 30, 2022. The registered office of Atrangii Network Private Limited is currently situated at 2nd Floor, 201C/6, D-21, Corporate Park Dwarka, Raj Nagar - II, South West Delhi, New Delhi, Delhi-110077, India, and having address at which the books of account are maintained at 102, Rohit Paradise, 13, A P Sen Road Near Mohan Hotel Char Bagh, Lucknow, Uttar Pradesh-226004, India.

# **Main Object of the Company**

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, pop star, T.V. channels, entertainment web-sites including and not limited to playing of advertisements to promote the sale or any other product or service.

# **Board of Directors:**

The Directors of Atrangii Network Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Megha Agarwal	Director
2.	Vibhu Agarwal	Director

# **Shareholding Pattern**

The Shareholding Pattern of Atrangii Network Private Limited as on the date March 31, 2023, is as follows:

Shareholders Name	No. of shares	% of total holding
Megha Agarwal	650000	65%
Vibhu Agarwal	350000	35%
Total	10,00,000	100%



#### **Financial Performance**

Certain details of the audited financials of Atrangii Network Private Limited are set forth below:

(Amount in Lakhs)

Particulars	FY 2023
Total Income	87.68
Profit/(Loss) after Tax	(180.14)
Equity Capital	10.00
Reserves & Surplus (excluding revaluation reserve)	(180.14)
Net worth	(170.14)
NAV per share (in rupees)	(170.14)
Earnings per share (EPS) (Basic & Diluted)	(180.14)
No. of Equity Shares of Rs. 10/- each (In Numbers)	1,00,000

# **ULLU 99 ECOM PRIVATE LIMITED**

# **Corporate Information**

Ullu 99 Ecom Private Limited was incorporated under the Companies Act, 2013 on February 28, 2022, Vide Certificate of Incorporation, bearing CIN U52590DL2022PTC394429 issued by Registrar of Companies, Delhi on March 01, 2022. The registered office of Ullu 99 Ecom Private Limited is situated at 2nd Floor, 201C/6 D-21 Corporate Park, Dwarka, New Delhi, Delhi-110077, India, and having Address at which the books of account are to be maintained at 101, Rohit Paradise, 13, A P Sen Road Near Mohan Hotel Char Bagh, Lucknow, Uttar Pradesh-226004, India.

# **Main Object of the Company**

To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipments on the Company's online portals or websites as well as through ecommerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.

#### **Board of Directors**

The Directors of Ullu 99 Ecom Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Vibhu Agarwal	Director
2.	Megha Agarwal	Director

# **Shareholding Pattern**

The Shareholding Pattern of Ullu 99 Ecom Private Limited as on the date March 31, 2023, is as follows:

Shareholders Name	No. of shares	% of total holding
Vibhu Agarwal	6,500	65%
Megha Agarwal	3,500	35%



Total	10,000	100%

#### **Financial Performance**

Certain details of the audited financials of Ullu 99 Ecom Private Limited are set forth below:

(Amount in Lakhs)

Particulars	FY 2023
Total Income	7.69
Profit/(Loss) after Tax	0.58
Equity Capital	1.00
Reserves & Surplus (excluding revaluation reserve)	0.58
Net worth	1.58
NAV per share (in rupees)	15.75
Earnings per share (EPS) (Basic & Diluted)	5.75
No. of Equity Shares of Rs. 10/- each (In Numbers)	10,000

# HIMALAYA FIBERTECH CEMENT PRIVATE LIMITED

# **Corporate Information**

Himalaya Fibertech Cement Private Limited was incorporated under the Companies Act, 1956 on July 04, 2006, Vide Certificate of Incorporation, bearing CIN U74996DL2006PTC150551 issued by Registrar of Companies, Delhi on July 04, 2006. The registered office of Himalaya Fibertech Cement Private Limited is situated at S 524, Neelkhanth House, Office No 302 School Block Shakarpur, Delhi-110092, India, and having address at which the books of account are to be maintained at 102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar Pradesh-226001, India.

# Main Object of the Company

- 1. To carry on business as dealers, distributors, suppliers, selling agent, sale promotion agent, importer, exporter, manufacture of all kinds of cement and its allied or related products.
- 2. To carry on business of trading of all kinds of fibre and fiber based products.
- **3.** To promote, acquire, setting up any other company or undertaking for manufacture of cement and to provide advice, technical know-how for setting up cement plants in or outside India.

#### **Board of Directors**

The Directors of Himalaya Fibertech Cement Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Vibhu Agarwal	Director
2.	Megha Agarwal	Director

# **Shareholding Pattern**

The Shareholding Pattern of Himalaya Fibertech Cement Private Limited as on the date March 31, 2023, is as follows:



Shareholders Name	No. of shares	% of total holding
Vibhu Agarwal	87,160	43.58%
Rajesh Agarwal	2,000	1.00%
Shashi Agarwal	55,420	27.71%
Umesh Singh	31,670	15.84%
Bhumika Singh	23,750	11.88%
Total	2,00,000	100.00%

#### **Financial Performance**

Certain details of the audited financials of Himalaya Fibertech Cement Private Limited are set forth below:

(Amount in Lakhs)

Particulars	FY 2023	FY 2022	FY 2021
Total Income	6.66	290.31	723.06
Profit/(Loss) after Tax	(22.52)	1.78	1.87
Equity Capital	20.00	20.00	20.00
Reserves & Surplus (excluding revaluation reserve)	71.40	93.92	92.14
Net worth	91.40	113.92	112.14
NAV per share (in rupees)	45.70	56.96	56.07
Earnings per share (EPS) (Basic & Diluted)	(11.26)	0.89	0.94
No. of Equity Shares of Rs. 10/- each (In Numbers)	2,00,000	2,00,000	2,00,000

# **JAYPEECO INDIA PRIVATE LIMITED**

#### **Corporate Information**

Jaypeeco India Private Limited was incorporated under the Companies Act, 1956 on December 20, 2011, Vide Certificate of Incorporation, bearing CIN U51909DL2011PTC228995 issued by Registrar of Companies, Delhi on December 20, 2011. The registered office of Jaypeeco India Private Limited is situated at S 524, Neelkhanth House, Office No 302, School Block, Shakarpur, Delhi-110092, India, and having Address at which the books of account are to be maintained at 102-FF, Rohit Paradise 13, A.P. Sen Road, Lucknow, Uttar Pradesh-226001, India.

# Main Object of the Company

- 1. To carry on business as dealers, distributors, suppliers, selling agent, sale promotion agent, importer, exporter, manufacture of all kinds of Steel, Iron, Fiber, Plywoods, Paints, cement and their allied or related products.
- 2. To carry on the business of trading of all kinds of Steel, Iron Fiber, Plywoods, Paints cement and their allied or related products.
- 3. To promote, acquire, setting up any other company or undertaking for manufacture of Steel, Iron Fiber, Plywoods, Paints cement and to provide advice, technical know-how for setting up Steel, Iron, Fiber, Plywoods, Paints and cement plants in or outside India.



# **Board of Directors**

The Directors of Jaypeeco India Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Vibhu Agarwal	Director
2.	Megha Agarwal	Director

# **Shareholding Pattern**

The Shareholding Pattern of Jaypeeco India Private Limited as on the date March 31, 2023, is as follows:

Shareholders Name	No. of shares	% of total holding
Vibhu Agarwal	58,500	90.00%
Megha Agarwal	6,500	10.00%
Total	65,000	100.00%

# **Financial Performance**

Certain details of the audited financials of Jaypeeco India Private Limited are set forth below:

(Amount in Lakhs)

Particulars	FY 2023	FY 2022	FY 2021
Total Income	814.37	693.12	739.48
Profit/(Loss) after Tax	1.31	2.18	2.02
Equity Capital	6.50	6.50	6.50
Reserves & Surplus (excluding revaluation reserve)	162.65	161.34	159.16
Net worth	169.15	167.84	165.66
NAV per share (in rupees)	260.24	258.22	254.86
Earnings per share (EPS) (Basic & Diluted)	2.02	3.35	3.11
No. of Equity Shares of Rs. 10/- each (In Numbers)	65,000	65,000	65,000

# **B.** Other Group Entities:

The details of our Group entities are provided as follows:

# 1. <u>ULLU DIGITAL AUSTRALIA PTY LTD</u>

# **Corporate Information**

Name	Ullu Digital Australia Pty Ltd
Status	Proprietary Limited (Pty Ltd)
Nature of Business	Company is engaged in the business of production and distribution of audiovisual contents and is also the owner of the OTT platform.
Work Address	Unit 3, 12 Abercrombie Street, Rocklea QLD 4106



#### **Board of Directors**

The Directors of Ullu Digital Australia Pty Ltd as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Directors	Designation
1.	Pooja Singh Bhaskar	Director
2.	Vibhu Agarwal	Director
3.	Megha Agarwal	Director

# **Shareholding Pattern**

The Shareholding Pattern of Ullu Digital Australia Pty Ltd. as on the date 30 June 2023, is as follows:

Shareholders Name	No. of shares	% of total holding
Vibhu Agarwal	790	50.00%
Megha Agarwal	474	30.00%
Pooja Singh Bhaskar	316	20.00%
Total	1,580	100.00%

#### Financial Performance

Certain details of the audited financials of Ullu Digital Australia Pty Ltd are set forth below:

(Amount in AUD)

		1.	imount in Heb)
Particulars	For the year	For the year	For the year
	ended 30 June	ended 30 June	ended 30
	2023	2022	<b>June 2021</b>
Total Income	7,16,953.00	422,844.00	456,890.33
Net Earnings	-3,540.21	24,277.58	8,258.93
Share Capital	1,580.00	1,580.00	1,580.00
Retained Earnings	32,877.79	36,418.01	12,140.43
Total shareholders' equity	34,457.79	37,998.01	13,720.43
No. of Equity Shares of Rs. 10/- each (In Numbers)	1,580	1,580	1,580

# **DECLARATIONS**

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

# **LITIGATIONS**

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled "Outstanding Litigations and Material Developments" on page 312 of the Draft Red Herring Prospectus.



#### **DEFUNCT GROUP COMPANIES**

There are no defunct Group Companies of our Company as on the date of this Draft Red Herring Prospectus.

## **UNDERTAKING / CONFIRMATIONS**

Our Promoters and Group Companies confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company, which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

#### DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

None of our promoters have disassociated themselves from the any entities/firms during the preceding three years.

## OTHER DETAILS OF GROUP COMPANIES/ENTITIES:

- 1. There are no defaults in meeting any statutory/ bank/ institutional dues.
- 2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

## NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

## (a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled "Financial Information" and Note 29, "Related Party Transaction" on page 279 of this Draft Red Herring Prospectus.

- (b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with Stock Exchange
  - Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Red Herring Prospectus with Stock Exchange.
- (c) In transactions for acquisition of land, construction of building and supply of machinery

  None of our Group Companies is interested in any transactions for the acquisition of land, construction
  of buildings or supply of machinery.



## RELATED PARTY TRANSACTION

For details on related party transactions of our Company, please refer to Note 29 of Restated Financial Statements beginning on page 279 of this Draft Red Herring Prospectus.

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#### DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

We have not declared dividend in any Financial Year.

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#### SECTION VI – FINANCIAL INFORMATION

#### FINANCIAL STATEMENT AS RESTATED

# INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Ullu Digital Limited
(Formerly known as Ullu Digital Private Limited)
901, Kanchanjunga Building18, Barakhamba Road,
Janpath, Central Delhi, Delhi-110001, India,

Dear Sir,

- 1. We have examined the attached Restated Financial Statements of Ullu Digital Limited (the "Company" or the "Issuer"), comprising the Restated Interim Statements of Balance Sheet for the Six month period as at September 30, 2023 and for the year ended as at March 31, 2023, 2022 and 2021, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statements of Cash Flows, the Restated Statements of Changes in Equity for the six month period ended September 30, 2023 and for the year ended as at March 31, 2023, 2022 and 2021, the Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Statement"), as approved by the Board of Directors of the Company at their meeting held on January 23, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") to be prepared by the Company in connection with its proposed initial public offer of equity shares (the "IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note") read with SEBI Communication as mentioned in Note 2.1 to the Restated Financial Statement (the "SEBI Communication"), as applicable.
- 2. The Company's management is responsible for the preparation of the Restated Financial Statement which have been approved by the Board of Directors of the Company for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited (collectively, the "Stock Exchanges") in connection with the Proposed IPO. The Restated Financial Statement have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Financial Statement. The Board Of Directors of the company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation



of these Restated Financial Statement by the management of the Company, as aforesaid. The Board of Directors is also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

- 3. We have examined such Restated Financial Statement taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 29, 2023 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note read with the SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statement; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, in connection with the IPO.

- 4. These Restated Financial Statement have been compiled by the management from:
  - a. The special purpose Ind AS Interim financial statements of the Company as at and for the six month period ended September 30, 2023 prepared in accordance with the Indian Accounting Standards ("Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the "Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on 8<sup>th</sup> January , 2024.
  - b. The special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the Indian Accounting Standards (" Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the " Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on 8<sup>th</sup> January, 2024.
  - c. The special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2022 prepared in accordance with the Indian Accounting Standards (" Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the " Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on 8th January, 2024.
  - d. The special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (" Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards)



Rules, 2015 and the other accounting principles generally accepted in India (the "Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on 8th January, 2024.

- 5. For the purpose of our examination, we have relied on:
  - a. Auditors report issued by M/s. SAMPRK & Associates (the "Auditors") dated 16<sup>th</sup> January 2024 on the Financial Statements of the Company for the six-month period ended September 30, 2023, as referred to in paragraph 4(a) above. Auditors' opinion on Financial Statements is not modified."
  - b. Auditors' report issued by M/s. SAMPRK & Associates (the "Auditors") dated 1st September 2023 on the Financial Statements of the Company as at and for the year ended March 31, 2023, as referred to in paragraph 4(b) above. Auditors' opinion on Financial Statements is not modified and accordingly reliance has been placed on the said Financial Statements."
  - c. Auditors' report issued by M/s. SAMPRK & Associates (the "Auditors") dated 22<sup>nd</sup> September 2022 on the Financial Statements of the Company as at and for the year ended March 31, 2022, as referred to in paragraph 4(b) above. Auditors' opinion on Financial Statements is not modified and accordingly reliance has been placed on the said Financial Statements."
  - d. Auditors' report issued by M/s. SAMPRK & Associates (the "Auditors") dated 15<sup>th</sup> November 2021 on the Financial Statements of the Company as at and for the year ended March 31, 2021, as referred to in paragraph 4(b) above. Auditors' opinion on Financial Statements is not modified and accordingly reliance has been placed on the said Financial Statements."
- 6. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the Audit report submitted by the Previous Auditors, as mentioned in paragraphs 5 above, respectively, we report that the Restated Financial Statement:
  - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively, as at and for the six month period ended September 30, 2023 and for the financial years ended March 31, 2023, ,2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications adopted for preparation of Restated Financial Statements;
  - b. do not require any adjustment for modification as there is no modification in the underlying audit reports referred to in paragraph 5 above. There are items relating to emphasis of matters (refer paragraphs 5(c) and 5(d) above, which do not require any adjustment to the Restated Financial Statement; and
  - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication.
- 7. The Restated Financial Statement do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Interim Financial Statements, Audited Financial Statements and Special Purpose Financial Statements mentioned in paragraph 4 above.



- 8. This report should not in any way be construed as a reissuance or re dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10. Our report is intended solely or use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India and BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Jain V. & Co., Chartered Accountants Firm Registration No. – 116306W

Sd/-Virendra Jain Partner Membership No. – 100216

**UDIN:** 24100216BKCZMA4904

Place: Mumbai Date: 23/01/2024



## **ANNEXURE- I**

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amt in Lakh)

					(Ami in Lakn)
Particulars	Note	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS		,		,	,
Non-current assets					
(a) Property, Plant and Equipment	3	119.51	135.77	119.47	171.35
(b) Financial Assets					
(i) Others	4	93.87	88.48	51.92	32.75
(c) Deferred tax assets (Net)	5	18.35	16.96	11.75	5.14
Current Assets					
(a) Inventories	6	4,524.03	4,968.41	3,071.26	1,682.59
(b) Financial Assets			·	·	
(i) Trade Receivable	7	385.11	455.89	187.94	103.01
(ii) Cash and cash equivalents	8	338.46	67.66	26.62	195.84
(iii) Bank balances other than Cash and cash equivalents	9	432.71	873.71	934.77	192.98
(iv) Loans	10	-	0.95	-	3.26
(v) Others	11	22.97	27.15	18.79	63.74
(c) Other Current assets	12	1,750.98	521.07	290.01	440.33
Total Assets		7,686.00	7,156.05	4,712.54	2,890.97
		ĺ	Ź	,	,
EQUITY AND LIABILITIES		-	-	-	-
EQUITY		-	-	-	-
(a) Equity Share Capital	13	578.95	550.00	10.00	10.00
(b) Other Equity	14	3,092.38	1,525.90	556.33	160.02
LIABILITIES					
Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	15	160.48	177.13	77.32	89.87
(b) Provisions	16	31.81	16.16	4.80	4.74
(c) Deferred tax liabilities (Net)					
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	17	67.12	64.86	197.07	108.19
(ii) Trade payable	18				
- total outstanding dues of micro, small and medium enterprises		-	154.61	414.36	1,099.77
- total outstanding dues of other creditors		1,811.01	2,146.92	1,902.53	376.47
(b) Other current Liabilities	19	911.94	1,900.67	1,381.73	983.88
(c) Provisions	20	1,032.31	619.79	168.40	58.02
Total Equity and Liabilities		7,686.00	7,156.05	4,712.54	2,890.97

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# RESTATED STATEMENT OF PROFIT AND LOSS

						(Amt in Lakh)
	Particulars		Half year	Year ended	Year ended	Year ended
	1 at ticulars	Note	ended Sept	March 31,	March 31,	March 31,
			30, 2023	2023	2022	2021
I	Revenue from operations	21	5,833.61	9,314.55	4,682.68	2,756.73
II	Other Income	22	26.21	55.31	17.71	6.62
III	Total Income (I+II)		5,859.82	9,369.86	4,700.39	2,763.36
IV	EXPENSES					
	Purchase		2,344.09	3,139.79	2,657.06	2,294.98
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(109.67)	(518.13)	(1,142.17)	(884.59)
	Purchase Merchandise		-	13.83	32.77	-
	Cost of Production / Acquisition and Webcast Fees	24	332.83	956.63	374.05	322.38
	Employee Benefit Expenses	25	621.87	842.05	400.06	261.87
	Finance Costs	26	12.08	22.51	41.57	74.57
	Depreciation and Amortization Expenses	3	40.49	80.97	77.34	74.03
	Other Expenses	27	979.20	2,707.33	1,705.25	443.27
	Total Expenses (IV)		4,220.89	7,244.98	4,145.91	2,586.50
	• ` ′		-	-	-	-
v	Profit/(Loss) before exceptional items and taxes		1,638.93	2,124.88	554.48	176.86
VI	Exceptional Items		-	-	-	-
VII	Profit before Tax (V - VI)		1,638.93	2,124.88	554.48	176.86
VIII	Tax expense:		·	,		
	(1) Current tax		412.52	619.03	168.21	57.98
	(2) Deferred tax		(1.39)	(5.21)	(6.62)	(6.83)
IX	Profit for the period from continuing operations (VII - VIII)		1,227.80	1,511.06	392.89	125.71
X	Profit from discontinuing operations		-	-	-	-
XI	Profit for the year		1,227.80	1,511.06	392.89	125.71
XII	Other Comprehensive Income					
	Items that will not be reclassified to profit & loss Account					
	Remeasurements of the present value of defined benefit obligation		-	(1.50)	3.42	-
XIII	Total Comprehensive Income for the period comprising profit and Loss and other Comprehensive income		1,227.80	1,509.57	396.31	125.71
XIIV	Earning per equity share:	28				
	(1) Basic		22.00	27.47	392.89	125.71
	(2) Diluted		22.00	27.47	392.89	125.71
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## ANNEXURE – III

## RESTATED STATEMENT OF CASH FLOW

					(Amt in Lakh)
	Particulars	Half year ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
A.	Cash flow from operating activities				
	Net profit before tax	1,638.93	2,124.88	554.48	176.86
	Adjustments for:				
	Finance Cost	11.82	21.47	41.13	73.93
	Depreciation & Amortisation	40.49	79.47	80.75	74.03
	Net Impact Ind AS Adjustments directly routed through Other Equity	-	-	-	-
		1,691.23	2,225.83	676.36	324.82
	Adjustments for (increase) / decrease in operating assets:	,	,		
	Decrease/(Increase) in Trade and Other Receivables	70.78	(267.95)	(84.93)	40.34
	Decrease/(Increase) in Inventories	444.38	(1,897.14)	(1,388.67)	(1,136.33)
	Decrease/(Increase) in Other financial Assets	0.95	(0.95)	3.26	2.46
	Decrease/(Increase) in Other current and Non assets	71.24	(18.80)	238.68	(329.47)
	Increase/(Decrease) in Other Current Liabilities and Non-Current Liabilities	(973.08)	530.87	398.06	248.29
	Increase/(Decrease) in Trade and Other Payables	(490.53)	(15.35)	840.65	1,249.87
	Cash generated from operations	814.97	556.51	683.40	399.98
	Net income tax (paid) / refunds	(1,296.97)	(388.83)	(101.39)	(13.85)
	<b>Net Cash flow from Operating activities (A)</b>	(481.99)	167.68	582.01	386.13
В.	Cash flow from investing activities				
	Purchase of Fixed Assets	(24.22)	(97.28)	(25.46)	(95.90)
	Security Deposit Given	(5.40)	(36.56)	(19.17)	(29.75)
	Net Cash flow from Investing activities (B)	(29.62)	(133.83)	(44.63)	(125.65)
C.	Cash Flow from Financing Activities				
	Proceeds from Long term Borrowings	(16.65)	99.82	(12.56)	1.41
	Proceeds from Short term Borrowings	2.26	(132.21)	88.88	96.66
	Finance Cost	(11.82)	(21.47)	(41.13)	(73.93)
	Proceeds from Issue of Equity Shares	367.63	-	-	-
	Net Cash Flow from Financing Activities (C)	341.42	(53.87)	35.20	24.13



Net Changes in Cash & Cash Equivalents (A+B+C)	(170.19)	(99.82)	572.58	284.61
Add: Cash & Cash Equivalents - Opening Balance [See note (a) below]	941.37	961.39	388.81	104.21
Cash & Cash Equivalents - Closing Balance [See note (a) below]	771.18	871.02	961.39	388.81

The above cash flow statement has been prepared under the "Indirect Method" as set out in India Accounting Standards 7 (Ind AS-7) on "Statement of Cash Flows."

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#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIE

## **Basis of Preparation**

The restated financial statement of the Company comprises the Restated Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022, March 31, 2021 and 01 April 2020, the Restated Statement of Profit and Loss (including ether comprehensive income), and the Restated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 March 31, 2021 and 01 April 2020, and the Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the "Restated Financial Statements").

These restated financial statements have been compiled by the Management from the Audited GAAP financial statements of the Company for the year ended March 31, 2023, prepared in accordance with the Accounting Standards (referred to as "IGAAP") as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by all the partners. The comparative information for the year ended March 31, 2023 March 31, 2022 March 31, 2021 and 01 April 2020 included in such financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP Financial, prepared in accordance with the accounting standards, notified under the Section 133 of the Act ("Indian GAAP")

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except as otherwise stated. The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Statements and are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2023. The Restated Financial Statements:

- 1. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and reaccompanying/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 March 31, 2021 and 01 April 2020 to reflect the same accounting treatment as per the accounting policy and reaccompanying/classifications followed as at end of the year ended March 31, 2023; and
- 2. do not require any adjustment for modification as there is no modification in the underlying audit reports.

## 1. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the "Act") and other relevant provisions of the Act.

The significant accounting policies adopted in the preparation of these financial statements are included in



Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated. The accompanying financial statements reflect the results of the activities undertaken by the Company from the year April 01, 2020, to 30 September 2023.

## 2. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the above criteria, the Company has ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### 3. Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liability which are measured at fair value.

#### Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

## **Assumptions and Estimation Uncertainties**

- (i) Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- (ii) Measurement of useful lives and residual values to property, plant and equipment
- (iii) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources.

#### **Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the company. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.



1	Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities				
1	Level 2	Valuation techniques for which the lowest level input that is significant to the fair value				
		measurement is directly or indirectly observable				
1	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value				
		measurement is unobservable				

The principal or the most advantageous market must be accessible to/ by the company. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

## **Summary of Significant accounting policies**

## (i) Revenue Recognition

In recognizing revenue, the company applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

#### Revenue from Business and Profession

Revenue is recognized upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

Revenue from operations consist Commissioned Web Series - Domestic and export is recognized over the period of time upon transfer of promised services to the customer in an amount that reflects the consideration the company expects to receive in exchange for those services i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

#### **Trade Receivable**

A receivable represents the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due)

Use of significant judgements in revenue recognition:



- (i) The performance obligation is satisfied upon completion of Services.
- (ii) At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified.

#### **Interest Income**

Interest income on security deposits is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

#### **Other Income**

In respect of other heads of income, the company follows the practice of recognising income on accrual basis.

#### (i) Property, plant and equipment

#### **Recognition and Measurement**

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

#### **Subsequent Expenditure**

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

## Depreciation methods, estimated useful lives and residual values Subsequent Expenditure

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.



Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss.

#### **Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **Financial Instruments**

## **Recognition and Initial Measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

#### Classification and Subsequent measurement

#### **Financial Assets**

On initial recognition, a financial asset is classified as measured at

- (i) amortised cost;
- (ii) Fair value through other comprehensive income (FVOCI), or
- (iii) Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

(i) the asset is held within a business model whose objective is achieved by both collecting contractual Page **264** of **404** 



cash flows and selling financial assets; andthe asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The company assess the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- (i) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- (ii) how the performance of the portfolio is evaluated and reported to the company's management.
- (iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- (iv) how managers of the business are compensated e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- (v) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic



lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. The company assess the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

In assessing whether the contractual cash flows are solely payments of principal and interest, the company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- (i) contingent events that would change the amount or timing of cash flows;
- (ii) terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- (iii) terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

## Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



## Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

## Derecognition

#### **Financial Assets**

The company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enter into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **Financial Liabilities**

The Company derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

The company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

#### **Income Tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and



any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for: Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

#### Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

#### **Employee Benefit**

#### a) Short term Benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

#### b) Defined Benefit plan

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

#### c) Defined Contribution Plan

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

#### **Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.



Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The company has evaluated the amendment and there is no impact on its financial statements.

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## ANNEXURE- V

## **Statement of Accounting and Other Ratios**

S. No.	Ratio	In times/ %	Numerator	Denominator	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a)	Current Ratio	In times	Current Assets	Current Liabilities	1.95	1.41	1.11	1.02
b)	Debt- Equity Ratio	In times	Debt	Equity	0.06	0.12	0.48	1.16
c)	Debt Service Coverage Ratio	In times	EBITDA	Total Debt	7.43	9.20	2.47	1.64
d)	Return on equity ratio	In %	Net Profits after taxes	Average Shareholders' Equity	43%	114%	108%	117%
e)	Inventory turnover ratio	In times	COGS	Average Inventory	0.54	0.89	0.81	1.55
f)	Trade Receivables turnover ratio	In times	Net credit Sales	Average Accounts receivables	NA*	0.29	0.65	3.07
g)	Trade Payables turnover ratio	In times	Net credit purchases	Average Trade payables	1.30	1.78	1.62	3.07
h)	Net Capital turnover ratio	In times	Net Sales	Working capital	2.06	7.47	17.99	147.42
i)	Net Profit ratio	In %	Net Profit	Net Sales	21%	16%	8%	5%
j)	Return on Capital Employed	In %	Earnings before Interest and taxes	Capital employed	43%	95%	92%	95%
k)	Return on investment	In %	Net Profit after tax	Shareholders' Equity	33%	73%	70%	74%

<sup>\*</sup>There was no credit sales during the period under review, amount shown as trade receivable are collectable from Customer on the behalf of company.

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## **Restated Notes forming part of Standalone Financial Statements**

## Note: 4-(b) Financial Assets (i) Others

(Amt in Lakh)

Particulars	Half year ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021,
Security Deposit	93.87	88.48	51.92	32.75
Total	93.87	88.48	51.92	32.75

## Note: 5 (c) Deferred tax assets (Net)

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023,	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax Assets	18.35	16.96	11.75	5.13
Total	18.35	16.96	11.75	5.13

## Note: 6 (a) Inventories.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023,	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Web Series and Films - Released	3,198.57	3,077.32	2,540.26	1,430.85
Web Series and Films - In Progress	1,323.21	1,877.25	498.24	251.74
Merchandise	2.25	13.83	32.77	-
Total	4,524.03	4,968.41	3,071.26	1,682.59

## Note - 7(b) Financial Assets - (i) Trade Receivable

(Amt in Lakh)

				(Amt in Lakn)				
Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021				
Unsecured Considered good	Unsecured Considered good							
- Receivable from related	206.07	283.85	118.30	57.85				
parties (Refer Note 31)	296.97	203.03	110.30	37.63				
- Others	88.13	172.04	69.64	45.16				
Total	385.11	455.89	187.94	103.01				

Trade Receivable ageing - Refer note 33.

## Note - 8(b) Financial Assets - (ii) Cash and cash equivalents.

Particulars	Half year	Year ended	Year ended	Year ended
	ended Sept 30,	March 31,	March 31,	March 31,
	2023	2023	2022	2021
Cash on hand	0.31	10.31	0.96	1.35



Balances with banks - In current	338.15	57 25	25.66	194.49
account	336.13	31.33	23.00	174.47
Total	338.46	67.66	26.62	195.84

# Note - 9(b) Financial Assets - (iii) Bank balances other than Cash and cash equivalents.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Deposits with banks with original maturity up to 12 months	432.71	873.71	934.77	192.98
Total	432.71	873.71	934.77	192.98

## Note - 10(b) Financial Assets - (iv) Loans

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Advance to Directors - Secured	-	-	-	2.98
against Salary				
Advances to Staff	-	0.95	-	0.28
Total	-	0.95	-	3.26

## Note - 11(b) Financial Assets - (v) Others

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Income Receivable	-	-	-	39.82
Prepaid Rent	22.97	27.15	18.79	23.92
	-	-	-	-
Total	22.97	27.15	18.79	63.74

## Note - 12 - (b) Other Current assets.

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Advance to Suppliers - Unsecured	_	_	_	_
Considered Good)	_			_
- To Related Parties (Refer Note 31)	123.42	61.60	71.01	311.41
- To Others	41.69	40.15	44.68	20.31
Balance with government authorities - GST	7.94	135.78	103.27	81.56
	1 577 02	290.06	60.22	16.02
TDS Recoverable	1,577.92	280.96	60.33	16.92
Prepaid expenses	-	2.58	10.72	10.13
Total	1,750.98	521.07	290.01	440.33



Note - 13 - (a) Equity Share Capital

(Amt in Lakh)

Particulars	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised				
1,00,00,000 Equity Shares of Rs. 10/-				
each (Previous Year: 2022) 200,000	1,000.00	1,000.00	20.00	20.00
Equity Shares of Rs. 10/- each				
	1,000.00	1,000.00	20.00	20.00
Issued Capital				
55,00,000 Equity Shares of Rs. 10/-				
each (Prev. Year 100,000 Equity Shares	578.95	550.00	10.00	10.00
of Rs. 10/- each)				
	578.95	550.00	10.00	10.00
Subscribed And Paid-Up Capital				
57,89,473 Equity Shares of Rs. 10/-				
each (P.Y. 2023) 55,00,000 Equity				
Shares of Rs. 10/- each)				
55,00,000 Equity Shares of Rs. 10/-				
each fully paid up including 54,00,000				
Equity Shares issued as Bonus Shares	578.95	550.00	10.00	10.00
(Year 2022 & 2021), 100,000 Equity				
shares of Rs. 10 each fully paid)"				

# Note - 14 - (b) Other Equity

(Time the Lunit)				
Particulars	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Securities Premium Account (A)				
Opening Balance				
Add: Securities premium credited on Share issue	338.68			
Closing Balance	338.68	_	-	_
Surplus (B)				-
Opening Balance	1525.89	556.33	160.02	34.31
Less: Utilised during the year for Issue of bonus shares	-	(540)	-	-
Add:- Other comprehensive income for the year (net of tax)		(1.49)	(3.41)	
Add: Net Profit for the Current Year	1227.80	1511.06	392.89	125.71
Closing Balance	2753.70	1525.89	556.33	160.02
Grand Total (A+B)	3092.38	1525.89	556.33	160.02



## Note - 15(a) Financial Liabilities - (i) Borrowings

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Secured Loan				
Loan From Banks and Financial				
Institutes				
- Vehicle Loan*	108.15	128.10	89.89	106.94
- Loan from related Party (Refer note 31) **	95.84	90.29	5.94	-
- Current Maturity of Vehicle loan	(43.52)	(41.26)	(18.51)	(17.06)
Total	160.48	177.13	77.32	89.87

## Note

## Note - 16 - (b) Provisions.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Provision for Employee Benefits (Refer Note No 37)	31.81	16.16	4.80	4.74
Total	31.81	16.16	4.80	4.74

## Note - 17(a) Financial Liabilities - (i) Borrowings

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Secured	-	-	-	-
- From Banks	-	-	20.87	29.48
- Current Maturity of Vehicle loan*	43.52	41.26	18.51	17.06
Unsecured	-	-	-	-
- From Related party	23.61	23.61	157.69	61.65
Total	67.12	64.86	197.07	108.19

<sup>\*</sup>Vehicle Loan from Bank is secured agisnt Hypothecation of respective vehicle financed by the Bank.

## Note - 18(a) Financial Liabilities - (ii) Trade payable.

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
total outstanding dues of micro enterprises and small enterprises	-	-	-	-
- Due to Related Parties*	-	-		

<sup>\*</sup>Vehicle Loan from Bank is secured against Hypothecation of respective vehicle financed by the Bank.

<sup>\*\*</sup>Unsecured Loan form Directors is interest free and payable after 30 Sept 2024.

<sup>\*\*</sup>Unsecured Loan form Directors is interest free and payable before 31 March 2024.



- Due to Others	-	154.61	414.36	1099.77
total outstanding dues of creditors				
other than micro enterprises and	-	-	-	-
small enterprises				
- Due to Related Parties*	-	-	0.32	0.32
- Due to Others	1,808.51	2,055.28	1854.31	315.50
Accrued expenses	2.50	91.64	47.90	60.66
Total	1,811.01	2,301.54	2,316.89	1,476.24

<sup>\*</sup>For trade payables to related parties please refer note 35

Trade payable due to others are non-interest bearing

The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note.

Note - 19 - (b) Other current Liabilities.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Remittances	39.05	28.51	58.98	14.61
Expenses Payable	113.16	100.29	39.75	-
GST Payable	-	124.47	-	-
Security Deposit	30.00	-	-	-
Income Received in advance	729.74	1,647.41	1,283.01	969.28
Total	911.94	1,900.67	1,381.73	983.88

## Note - 20 - (c) Provisions.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Provision for Income Taxation	1,031.55	619.03	168.21	57.98
Provision for Employee Benefits (Refer Note No 37)	0.76	0.76	0.19	0.04
Total	1,032.31	619.79	168.40	58.02

## **Note - 21 - Revenue from Operations**

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Sale of service				
Commissioned Web Series - Domestic	4,682.92	7,895.27	4,517.09	2,361.85
Commissioned Web Series - Exports	1,132.35	1,348.00	165.60	157.38
Sale Others	12.50	70.35	-	-
Sale of web series rights	5.85	0.93	-	237.50
Total	5,833.61	9,314.55	4,682.68	2,756.73



## Note - 22 -Other Income

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income	20.42	42.81	17.16	6.61
Reversal of Expenses payable	5.69	6.97	0.47	-
Other Misc Receipts	0.10	5.54	0.08	0.01
Total	26.21	55.31	17.71	6.62

Note - 23 - Changes in inventories of Finished Goods, Work-in-progress, and Stock-in-Trade.

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance:	3091.15	2573.02	1430.85	546.26
Closing balance:	3200.82	3091.15	2573.02	1430.85
Total changes in inventories	(109.67)	(518.13)	(1,142.17)	(884.59)

## Note - 24 -Cost of Production / Acquisition and Webcast Fees

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Server Hire Charges	280.16	651.48	348.98	289.48
Dubbing Charges	-	13.07	5.65	1.83
Software Hire Charges	42.09	44.75	19.30	25.98
Script writing & Translation Charges	10.59	247.33	0.12	3.00
DI & Testing Charges	-	-	-	2.09
Total	332.83	956.63	374.05	322.38

## Note - 25 - Employee Benefit Expenses

(Amt in Lakh)

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Salaries	601.33	828.23	387.53	250.16
Staff Welfare Expenses	4.89	3.39	8.90	6.93
Provision for Gratuity	15.65	10.43	3.63	4.78
Total	621.87	842.05	400.06	261.87

## **Note - 26 - Finance Costs**

Particulars	Half year ended Sept 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
(a) Bank Charges and Commission	0.26	1.04	0.44	0.64
(b) Processing Fees	0.13	0.23	0.02	0.33



(c) Interest on Loan	11.69	21.24	41.11	73.60
Total	12.08	22.51	41.57	74.57

# **Note - 27 -Other Expenses**

(Amt in Lakh)

·				(Milli the Laket)
Particulars	Half year	Year ended	Year ended	Year ended
1 at ticulars	ended Sept	March 31,	March 31,	March 31,
	30, 2023	2023	2022	2021
Advertising, sales and Business Promotion	625.57	2,013.91	492.59	291.72
Rent Fees & Taxes	116.28	211.85	125.25	48.46
Legal & Professional	123.25	288.50	973.13	34.66
Computer Expenses	17.08	40.53	1.48	4.26
Printing & stationery	1.36	1.77	2.09	0.53
Travelling and Conveyance	32.66	46.65	20.92	15.15
Electricity Expenses	16.74	29.08	19.94	11.74
PR Expenses	-	0.41	2.32	3.89
Communication expenses	11.38	12.40	19.72	2.90
Repair & Maintenance	12.57	16.10	3.83	21.14
Insurance Premium	-	5.21	2.20	1.06
Late Fees & Penalties	-	7.17	13.54	0.87
Interest on delay on Government Dues	2.97	-	-	-
Exchange differences (Net)	1.70	-	1.93	4.27
Miscellaneous Expenses	1.30	0.18	3.60	1.86
Membership and Subscription	6.00	13.51	15.27	-
Donation	-	5.31	1.00	-
Security Charges	-	4.70	-	-
Recruitment Expenses	0.55	-	0.70	-
Vehicle Running and Maintenance	8.29	8.06	4.37	-
Audit Fees	1.50	1.99	1.36	0.75
Total	979.20	2,707.33	1,705.25	443.27

# $\underline{Note\ -28\ Disclosure\ as\ per\ Ind\ AS\ 33\ on\ 'Earnings\ per\ Share}$

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(a) Profit attributable to equity shareholders				
Profit for the year	1,227.80	1,511.06	392.89	125.71
Profit attributable to equity shareholders	1,227.80	1,511.06	392.89	125.71
(b) Weighted average number of				
shares used as the denominator				
Weighted average number of equity shares for basic and diluted EPS	55,80,575	55,00,000	1,00,000	1,00,000
Weighted average number of equity shares for basic and diluted EPS (Restated for year 2022)	55,80,575	55,00,000	55,00,000	1,00,000



Basic and diluted earnings per share				
Basic & Diluted earnings per share	22.00	27.47	392.89	125.71
Basic & Diluted earnings per share (Restated for year 2022)	22.00	27.47	7.14	125.71
Nominal value per share	10.00	10.00	10.00	10.00

# Note -29 Disclosure as pr Ind AS 24 "Related Party Disclosure

Name of the related parties with whom transactions have taken place and nature of relationship.

Major Shareholder / Key Management Person	Mr. Vibhu Agarwal	Mrs. Megha Agarwal		
Relative of Directors	Mrs. Shashi Rani Agarwal			
Enterprises in which management is key management personnel has significant influence (Other)	Himalaya Fibertech Cement Private Limited			

										Am in
Nature of	Septen	iber 30, 2	023	Mai	rch 31, 202		March	31, 2022	March	31, 2021
Transaction	Relative of	Other	KMP	Relative of	Others	KMP	Other	KMP	Other	KMP
	Directors			Directors						
a) Equity										
Contributions										
Opening		-	550.00	-	-	10.00	-	10.00	-	10.00
Bonus shares	-	-	-	-	-	540.00	-	-	-	-
Issued During										
the Year										
Share Sold	0.04		(0.04)							
Closing	0.04	-	550.00	-	-	550.00	-	10.00	-	10.00
<u> </u>	-	-		-	-	(10.00)	-	(10.00)	-	(10.00)
b)	-	-	150.00	-	-	78.00	-	78.00	-	60.30
Remuneration										
Paid										
	-	-	123.00	-	-	(78.00)	-		-	
- Balance Cr	-	-	30.72	-	-	18.17	-	1.35	-	1.35
	-	-	18.17	-	-	3.50	-	(4.27)	-	(4.27)
c) Unsecured										
Loans										
Opening			157.69							
- Received	-	100.0	40.60	-	140.16	40.60	-	61.65	-	61.65
		0								
- Repaid	-		174.68	-	40.16	174.69				
- Balance Cr		0.10	23.61	8.00	100.00	23.61		61.65	-	61.65
	(8.00)	-		(8.00)	-	(157.69)	-	-	-	-
- Balance Dr	-	-	-	-	(71.00)	-		-		-
c) Purchase	-		-	-	510.68	-	953.76	-	1666.50	-
/Expenses/										
Reimbursemen										
t/ Advances										
- Balance Cr	-	328.00	-	-	-	-	123.74	-	1080.59	-
	-	266.48	-	-	-	-	(577.76)	-	(129.73)	-
- Balance Dr	-	123.42	-	-	61.91	-	123.42	-	311.41	-
	-		-	-	1.80	-	(61.60)	-	(41.56)	-
- Income	-		-	-	259.27	-	(123.22)	-	132.45	-
- Balance Dr	-	247.84	-	-	247.84	-	(118.30)	-	57.85	-
	-	247.84	-	-	118.30	-	57.85	-	(56.40)	-



\*Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

## Note -30 "Corporate Social Responsibility (CSR).

In terms of the section 135 of the Companies Act 2013, the company is obligated to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities in compliance with its CSRC. During the year the company has made the CSR expenditure on the eligible activities as prescribed in Schedule VII of the Companies Act 2013 are as follows:

(Amt in Lakh)

	Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
a)	Gross amount required to be spent by the Company during the year	-	5.31	-	-
b)	Amount spent in cash during the year on	-	-	_	-
	i) Construction/acquisition of any asset	-	-	_	-
	ii) For purposes other than (i) above	-	5.31	_	-
c)	Shortfall at the end of the year	-	-	_	-
d)	Total of previous years shortfal	-	-	_	-
e)	Reason for shortfall	-	NA	-	-
f)	Nature of CSR activities for which amount is paid	-	Education promotion programme	-	-
g)	Detail of related party transaction in relation to CSR expenditure as per the relevant AS	-	NA	-	-

## Note -31 "Provisions and Contingent Liabilities"

The Company don't have any provision and contingent Liability as at balance sheet date for the current year as well as for the previous year.

## Note -32 "Financial Risk Management

In the opinion of the board, the realisable value of Current Assets, Loans & Advances and Current Liabilities in the ordinary course of business would not be less than the amount at which they are stated.

#### a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's credit risk is primarily to the amount due from the customer and investments. The Company maintains a defined credit policy and monitors the exposure to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.



On adoption of Ind AS 109, the Company uses the expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

# The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet.

(Amt in Lakh)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Trade receivable	385.11	455.89	187.94	103.01
Cash & Cash Equivalents	338.46	67.66	26.62	195.84
Other Bank Balances	432.71	873.71	934.77	192.98

## b) Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors and manages liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the Company's liquidity risk, the Company's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- a. Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- b. Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

#### c) Market risk:

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two types of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## d) Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk.



#### e) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

## Exposure to interest rate risk

(Amt in Lakh)

Variable-rate Instruments	As at Sept 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Vehicle Loan from banks	108.15	128.10	89.92	106.94
Total	108.15	128.10	89.92	106.94

#### Cash flow sensitivity analysis for variable-rate instruments.

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Amt in Lakh)

Particulars	Profit or Loss				
raruculars	100 bps increase	100 bps decrease			
Interest on term loan & cash credit from bank					
For the period ended September 30, 2023	(1.08)	1.08			
For the year ended March 31,2023	(1.28)	1.28			
For the year ended March 31,2022	(0.90)	0.90			
For the year ended March 31,2021	(1.07)	1.07			

## f) Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralize any foreign currency fluctuation risk.

#### Note -33-Trade Receivable

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.



# Ageing Scheduled for Trade Receivable for 30 September 2023

(Amt in Lakh)

	Outstanding for following periods from due date of payment						
Particulars	Less than 6 months	6 months - 1 year	1-2 years			Total	
Undisputed Trade Receivables - Considered good	101.26	283.85	-	-	-	385.11	
Undisputed Trade Receivables - Which have Significant increse in credit risk	-	-	-	-	-	-	
Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	
Total	101.26	283.85	-	-	-	385.11	

# Ageing Scheduled for Trade Receivable for March 31, 2023

(Amt in Lakh)

Outstanding for following periods from due date of pay						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
Undisputed Trade Receivables - Considered good	455.89	-	-	-	-	455.89
Undisputed Trade Receivables - Which have Significant increse in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Total	455.89	-	-	-	-	455.89

# Ageing Scheduled for Trade Receivable for March 31, 2022

Outstanding for following periods from due date of payr						of payment
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
Undisputed Trade Receivables - Considered good	187.94	-	-	-	-	187.94
Undisputed Trade Receivables - Which have Significant increse in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Total	187.94	-	-	-	-	187.94



## Ageing Scheduled for Trade Receivable for March 31, 2021

(Amt in Lakh)

Outstanding for following periods from due date of p						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
Undisputed Trade Receivables - Considered good	103.01	-	-	-	-	103.01
Undisputed Trade Receivables - Which have Significant increse in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Total	103.01	-	-	-	-	103.01

## Note -34 "Employee Benefits"

The Company contributes to the following post-employment defined benefit plans in India.

#### **Defined benefit Plan**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation. The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

(Amt in Lakh)

Status of the defined benefit obligation	31-Mar-23	31-Mar-22	31-Mar-21
Net defined benefit liability	-	-	-
Gratuity (Unfunded)	16.92	4.99	4.78
Total employee benefit liabilities	16.92	4.99	4.78

Status of the defined benefit obligation	31-Mar-23	31-Mar-22	31-Mar-21
Non-Current	16.16	4.80	4.74
Current	0.76	0.19	0.04
Total employee benefit liabilities	16.92	4.99	4.78

#### Reconciliation of the net defined benefit liability

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Present value of obligation as at the beginning of the period	4.99	4.78	-
Acquisition adjustment	-	-	-



Transfer In / (Out)	-	-	-
Interest Expense	0.36	0.35	-
Past service cost	-	-	-
Current service cost	10.07	3.28	4.78
Curtailment Cost / (Credit)	-	-	-
Settlement Cost / (Credit)	-	-	-
Benefits paid	-	-	-
Remeasurements on obligation - (Gain) / Loss	1.50	(3.42)	-
Present value of obligation as at the end of	16.92	4.99	4.78
the period	10.92	4.99	4.78

# Reconciliation of opening and closing balance of fair value of plan assets

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Fair value of plan assets at the beginning	-	-	-
of the period	-	-	-
Acquisition adjustments	-	-	-
Transfer In / (Out)	-	-	-
Interest Income	-	-	-
Contributions	-	-	-
Mortality Charges and Taxes	-	-	-
Benefits paid	-	-	-
Amount paid on settlement	-	-	-
Return on plan assets, excluding amount	-	-	-
recognized in Interest Income - Gain /			
(Loss)	-	-	-
Fair value of plan assets at the end of the	_	_	_
period	-	-	-
Actual return on plan assets	-	-	-

# Net expenses recognised during the year in the statement of profit and loss:

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Service Cost	10.07	3.28	4.78
Acquisition (Gain) / Loss	-	-	-
Past service cost	-	-	-
Net interest (Income)/ Expense	0.36	0.35	-
Curtailment (Gain) / Loss	-	-	-
Settlement (Gain) / Loss	-	-	-
Transfer In / (Out)	-	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	-	-	-

# **Current Service Cost**

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Past Service Cost	-	-	-
Current Service Cost	10.07	3.28	-
Curtailment Cost / (Credit) on plan amendments	-	-	-
Settlement Cost / (Credit) on plan amendments	-	-	-



# Net interest (Income)/Expense:

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Interest (Income) / Expense – Obligation	4.78	3.28	10.07
Interest (Income) / Expense – Plan assets	-	-	-
Net interest (Income) / Expense for the year	4.78	3.28	10.07

# **Actuarial Gain & Loss**

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Experience (Gain) / Loss on plan liabilities	1.50	(3.42)	-
Demographic (Gain) / Loss on plan liabilities	-	-	-
Financial (Gain) / Loss on plan liabilities	1.50	(3.42)	-
Experience (Gain) / Loss on plan assets	-	-	-
Financial (Gain) / Loss on plan assets	-	-	-

# **Amounts Recognised In Statement Of Other Comprehensive**

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Opening amount recognised in OCI outside	(3.42)	-	-
profit and loss account	-	-	-
Remeasurement for the year -	1.50	(3.42)	-
obligation (Gain) / Loss	-	-	-
Remeasurement for the year -	-	-	-
plan asset (Gain) / Loss	-	-	-
Total Remeasurements Cost / (Credit) for the	-	-	-
year recognised in OCI	-	-	-
Closing amount recognised in OCI outside	(1.92)	(3.42)	-
profit and loss account	-	-	-

# Summary of membership data at the date of valuation and statistics based thereon:

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Number of employees	105	65	56
Total monthly salary	38.57	20.81	20.72
Average Past Service (Years)	1	1	1
Average Future Service (yrs)	25	25	29
Average Age(Years)	35	35	31
Weighted average duration (based on discounted	22	25	29
cash flows) in years			
Average monthly salary	0.37	0.32	0.37

# **Actuarial assumptions**

<b>Particulars</b>	31-Mar-23	31-Mar-22	31-Mar-21
Discount rate	7.50 % per annum	7.25 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	5.00% p.a.	5.00% p.a.	10.00% p.a.



#### **Benefits valued**

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Normal Retirement Age	60 Years	60 Years	60 Years
Salary	Last drawn qualifying	Last drawn qualifying	Last drawn qualifying
Salary	salary	salary	salary
Vesting Period	5 Years of service	5 Years of service	5 Years of service
Benefits on Normal	15/26 * Salary * Past	15/26 * Salary * Past	15/26 * Salary * Past
Retirement	Service (yr).	Service (yr).	Service (yr).
Benefit on early exit due to	As above except that no	As above except that no	As above except that no
death and disability	vesting conditions apply	vesting conditions	vesting conditions
death and disability	vesting conditions uppry	apply	apply
Limit	20.00	20.00	20.00

# Effect of plan on entity's future cash flows

# (a): Funding arrangements and funding policy Not Applicable

## (b) Expected contribution during the next annual reporting period

(Amt in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
The Company's best estimate of Contribution during the next year	15.65	8.20	7.60

# (c) Maturity profile of defined benefit obligation: Weighted Average

Particulars		31-Mar-23	31-Mar-22	31-Mar-21
	on	22	25	29
discounted cash flows) in years				

# (d) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. The effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

<b>Particulars</b>	31-Mar-23	31-Mar-22	31-Mar-21
	16,91,754 @ Salary	4,99,035 @ Salary	4,77,918 @ Salary
Defined Benefit Obligation (Base)	Increase Rate: 5%,	Increase Rate: 5%,	Increase Rate: 5%,
Defined Benefit Obligation (Base)	and discount rate	and discount rate	and discount rate
	:7.5%	:7.25%	:7.5%
Liability with x% increase in Discount	15,29,923; x=1.00%	4,47,906; x=1.00%	4,44,585; x=1.00%
Rate	[Change (10) %]	[Change (10) %]	[Change (7) %]
Liability with x% decrease in Discount	18,84,155; x=1.00%	5,60,507; x=1.00%	5,16,303; x=1.00%
Rate	[Change 11%]	[Change 12%]	[Change 8%]
Liability with x% increase in Salary	18,87,119; x=1.00%	5,61,300; x=1.00%	5,16,883; x=1.00%
Growth Rate	[Change 12%]	[Change 12%]	[Change 8%]
Liability with x% decrease in Salary	15,24,912; x=1.00%	4,46,445; x=1.00%	4,43,536; x=1.00%
Growth Rate	[Change (10) %]	[Change (11) %]	[Change (7) %]



Liability with x% increase in	16,86,611; x=1.00%	4,94,884; x=1.00%	4,66,139; x=1.00%
Withdrawal Rate	[Change 0%]	[Change (1) %]	[Change (2) %]
Liability with x% decrease in	16,89,219; x=1.00%	5,00,683; x=1.00%	4,88,666; x=1.00%
Withdrawal Rate	[Change 0%]	[Change 0%]	[Change 2%]

#### **Risk Exposure and Asset Liability Matching:**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

## **Liability Risks**

## Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

#### **Discount Rate Risk-**

"Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities."

# Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### Note -35 "Other Information"

- 1) The impact of Covid 19 pandemic continued during the reporting period with repeated waves/outbursts, however, economic activity started picking up again and the Company continues to follow all Covid appropriate protocols, while endeavoring to keep the wheels of business moving. In view of the nature of the business of the company, the impact of Covid-related constraints and their severity on the business of the company has been limited.
- 2) The management also periodically assesses the potential impact of COVID-19 on the carrying value of the company's property, plant & equipment, non-current and current assets appearing in the financial statements and based on current assessment of possible future uncertainties, the fair value of these is equal to or more than the carrying value.
- 3) The above impact assessment is made on the date of approval of these financial statements and the management will continue to closely monitor any material changes to this assessment caused by future economic conditions.
- 4) The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.
- 5) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ('The Act') are given as follows:



(Amt in Lakh)

	Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(a)	The principal amount remaining unpaid to supplier as at the end of the accounting year	-	154.61	2,151.66	67.03
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year.	-	-	-	-
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-	-	-
(d)	The amount of interest due and payable for the year.	-	-	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-	-

Trade Payables Ageing schedule.

# Ageing Scheduled for Trade Payable for 30 September 2023

(Amt in Lakh)

	Outstand	Outstanding for following periods from due date of payment									
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total					
(i) MSME	-	-	-	-	-	-					
(ii) Others	459.11	47.94	1,299.38	2.08	-	1,808.51					
(iii) Disputed dues - MSME						-					
(iv) Disputed dues - Others	-	-	-	-	-	-					

# Ageing Scheduled for Trade Payable for 31 March 2023

(Amt in Lakh)

	Outstanding for following periods from due date of payment									
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total				
(i) MSME	154.61	_	-	-	-	154.61				
(ii) Others	714.67	974.07	366.53	-	-	2,055.28				
(iii) Disputed dues - MSME	-	-	-		-	-				
(iv) Disputed dues - Others	-			-	-					

# Ageing Scheduled for Trade Payable for 31 March 2022

(Amt in Lakh)

	Outstar	Outstanding for following periods from due date of payment									
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total					
(i) MSME	414.36	-	-	-	-	414.36					
(ii) Others	1833.57	1.74	19.32	-	-	1854.63					
(iii) Disputed dues - MSME	-	-	-	-	-	-					
(iv) Disputed dues - Others	-	-	-		-	-					



#### Ageing Scheduled for Trade Payable for 31 March 2021

(Amt in Lakh)

	Outstanding for following periods from due date of payment									
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total				
(i) MSME	1099.77	-	-	-	-	1099.77				
(ii) Others	315.82	-	-	-	-	315.82				
(iii) Disputed dues - MSME	-	-	-		-	-				
(iv) Disputed dues - Others	-			_	_					

<sup>\*</sup>The term 'supplier' used above is in line with its definition in the Act and represents only Micro and Small Enterprises.

- 6. All figures have been rounded off to the nearest rupee and figures for the previous year have been re-arranged and/or re-grouped (including some figures on estimation basis) wherever necessary.
- 7. In the opinion of the Board of Directors, the Current Assets, Loans and Advances, if realised in the ordinary course of business, have value, on realisation, at least equal to the amount at which they are stated in the Balance Sheet.

#### 8. Additional Regulatory information

#### a) Title Deeds of immovable property not held in the name of the Company.

The Company does not hold any immovable property.

## b) Revaluation of Property, Plant and Equipment.

No revaluation of Property, Plant and Equipment is carried out during the reporting period.

## c) Loans and Advances to related parties.

The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person and therefore no disclosure is required in this regard.

### d) Capital Work in Progress

The Company has no Capital Work in Progress.

#### e) Intangible Assets under development

The Company does not have any Intangible Assets under development.

#### f) Benami property

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

## g) Disclosure regarding borrowings from Banks and financial institutions.

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

#### h) Wilful Defaulter

The Company has not been declared a wilful defaulter by any bank or financial Institution or other lender.



### i) Relationship with Struck off companies.

The Company has reviewed transactions to identify if there are any transactions with struck off companies and to the extent information is available on struck off companies, there are no transactions with struck off companies.

# j) Registration of charges or satisfaction with Registrar of companies

The Company is not required to register any charges or satisfaction with Registrar of Companies

# k) Number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

### 1) Compliance with approved scheme(s) of Arrangements

No Scheme of Arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 in respect of the Company, hence no disclosure is required.

## m) Utilisation of Borrowed funds and share premium:

- 1. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any others source or kind of funds) to any other person (s) or entity (ies) including foreign entities (intermediaries) and therefore no disclosure is required.
- 2. The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

#### n) Undisclosed Income

The Company has no undisclosed income and has not surrendered or disclosed any transaction as income during the year in the tax assessments under the Income Tax Act, 1961.

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# Note -3 (a) Property, Plant and Equipment

# As at 30-Sept-2023

(Amt in Lakh)

	Particulars		Gross Carryin	ng Amount			Accumulated Depreciation				Net Block	
S.N.	Description	As at April 1, 2023	Addition during the year	Disposal / Adjust ment	As at Sept 30, 2023	As at April 1, 2023	For the Year	Disposal/ Adjustme nt	As at Sept 30, 2023	As at Sept 30, 2023	As at March 31, 2023	
1	Computer Software and printers	173.58	19.14	-	192.72	125.54	23.46	-	149.00	43.72	48.04	
2	Office Equipment	36.62	3.73	-	40.35	18.57	4.99	-	23.56	16.79	18.05	
3	Vehicles	165.74	-	-	165.74	98.84	11.79	-	110.63	55.11	66.90	
4	Furniture & Fixtures	3.41	1.35	-	4.76	0.62	0.25	-	0.87	3.89	2.79	
	Total	379.35	24.22	-	403.58	243.58	40.49	-	284.06	119.51	135.77	
	Previous year Figure	282.07	97.28	-	379.35	162.60	80.97	-	243.58	135.77	119.47	

# Year 2022-23

(Amt in Lakh)

	Particulars	Gross Carrying Amount					Accumulat	ed Depreciatio	n	Net Block	
S.N.	Description	As at April 1, 2022	Addition during the year	Disposal/ Adjustme nt	As at March 31, 2023	As at April 1, 2022	For the Year	Disposal/ Adjustmen t	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
1	Computer Software and printers	112.23	61.35	-	173.58	78.63	46.91	-	125.54	48.04	33.60
2	Office Equipment	22.69	13.94	-	36.62	8.60	9.97	-	18.57	18.05	14.08
3	Vehicles	146.96	18.78	-	165.74	75.26	23.58	-	98.84	66.90	71.70
4	Furniture & Fixtures	0.20	3.21	-	3.41	0.11	0.51	-	0.62	2.79	0.09
	Total	282.07	97.28	-	379.35	162.60	80.97	-	243.58	135.77	119.47
	Previous year Figure	256.62	25.46	-	282.07	85.27	77.34	-	162.60	119.47	171.35



# <u>Year 2021-22</u> (Amt in Lakh)

	Particulars	Gross Carrying Amount					Accumulated Depreciation				Net Block	
S.N.	Description	As at April 1, 2021	Addition during the year	Disposal/ Adjustme nt	As at March 31, 2022	As at April 1, 2021	For the Year	Disposal/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	
1	Computer Software and printers	97.54	14.69	-	112.23	39.74	38.89	-	78.63	33.60	57.80	
2	Office Equipment	11.92	10.77	-	22.69	2.74	5.86	-	8.60	14.08	9.17	
3	Vehicles	146.96	-	-	146.96	42.70	32.56	-	75.26	71.70	104.26	
4	Furniture & Fixtures	0.20	-	-	0.20	0.08	0.03	-	0.11	0.09	0.12	
	Total	256.62	25.46	-	282.07	85.27	77.34	-	162.60	119.47	171.35	
	Previous year Figure	160.71	95.90	-	256.62	11.24	74.03	-	85.27	171.35	149.47	

# Year 2020-21

(Amt in Lakh)

	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Block	
S.N.	Description	As at April 1, 2020	Addition during the year	Disposal/ Adjustme nt	A C at Warrn	As at April 1, 2020	For the Year	Disposal/ Adjustment	As at March 31, 2021	As at March 31, 2021	As at April 01, 2020
1	Computer Software and printers	34.76	62.79	-	97.54	9.22	30.53	-	39.74	57.80	25.54
2	Office Equipment	1.55	10.36	-	11.92	0.29	2.45	-	2.74	9.17	1.26
3	Vehicles	124.21	22.76	-	146.96	1.70	41.00	-	42.70	104.26	122.51
4	Furniture & Fixtures	0.20	-	-	0.20	0.04	0.04	-	0.08	0.12	0.16
	Total	160.71	95.90	-	256.62	11.24	74.03	-	85.27	171.35	149.47
	Previous year Figure	-	160.71	-	160.71	-	11.24	-	11.24	149.47	-

<sup>(</sup>i) The company has not elected Ind AS 101 exemption and continues with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

<sup>(</sup>ii) There are no impairment losses recognized during the year.



- (iii) There are no exchange differences adjusted in property, plant & equipment.
- (iv) The Company has not carried out any revaluation of property, plant and equipment for the period ended September 30,2023, March 31, 2023, March 31, 2022, March 31, 2021.
- (v) There is no Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no disclosures are required.

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# OTHER FINANCIAL INFORMATION

For Details on other financial information please refer to Annexure V- "Statement of Mandatory Acc	counting
Ratios" on page under the chapter titled Financial Statements as Restated beginning on page 271 of the	is Draft
Red Herring Prospectus.	

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# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended September 30, 2023, March 31, 2023, March 31, 2022, and 2021. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 252 of the Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 29 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 20 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Ullu Digital Limited (Formerly Known as Ullu Digital Private Limited), our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for the period September 30, 2023, and Financial Years 2023, 2022 & 2021 included in this Draft Red Herring Prospectus beginning on page 252 of this Draft Red Herring Prospectus.

#### **BUSINESS OVERVIEW**

Our Company was incorporated as a private limited company with the name of "Ullu Digital Private Limited" under the Companies Act, 2013 vide certificate of incorporation dated January 02, 2019, issued by Registrar of Companies, Delhi, bearing CIN U92100DL2019PTC343697. Further, our company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Annual General Meeting held on September 28, 2023 & name of our Company changed from Ullu Digital Private Limited to Ullu Digital Limited & Registrar of Companies, Delhi has issued a new certificate of incorporation consequent upon conversion dated 30 October 2023, bearing CIN U92100DL2019PLC343697.

Our company is an Over-The-Top (OTT) streaming platform mainly engaged in the distribution, exhibition, exploitation, promotion, marketing and delivery of diverse content on our platform/app named "Ullu". Our platform/app provides a diverse range of web series, short films and shows to our audience. We offer a mix of romance, drama, thriller, comedy and other genres to cater to the varied tastes of its audience.

We collaborate with various production houses or independent creators or writers who take the lead in developing the concepts, scripts, and storylines. Thereafter, the responsibilities are distributed among various stakeholders, including production companies, and other professionals. Our company is involved in deciding the budget and reviewing and providing feedback, but on-the-ground execution of the project is solely done by the production house.

Furthermore, our in-house team of content writers generates specific scripts, which are then entrusted to our reliable and independent production houses, while other scripts originate from the creative input of collaborating with production houses.



Although the production house handles the entire pre-production and production processes, our company is involved in post-production process and maintains ownership of all rights including Intellectual Property rights, copyrights, character rights as well as Distribution, exploitation, and marketing rights of the content across the entire territory and in perpetuity. The production house is responsible for obtaining necessary approvals for content production. Therefore, our company holds exclusive and sole rights over the content.

We refrain from providing any advance payment for content/project development to production houses. Payments are made solely upon the successful delivery of the content, thereby relieving our company from any associated liabilities or losses.

The app/platform operates on a subscription-based model. Users can subscribe to the app to access a vast library of content, including both existing content and new releases. The subscription model allows us to sustain our content creation efforts and maintain a dedicated viewer base. The cost-effective subscription plan enables us to attract a higher number of subscribers.

# SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and BRLM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company has approved and passed resolution on February 07, 2024, to authorize the Board of Directors to raise the funds by way of Initial Public Offering.
- The Shareholders of our company has approved the appointment of Mr. Vibhu Agarwal as the Managing Director w.e.f. January 23, 2024, in the Extra-Ordinary General Meeting held on February 08, 2024, and board meeting held on January 23, 2024, respectively.
- The shareholders of our Company appointed Mr. Vivek Sangal as Non-Executive Director in the Extra Ordinary General Meeting held on February 08, 2024.
- The shareholders of our Company appointed Mr. Sunil Agarwal and Ms. Bhavika Yash Ghuntla as Independent Directors in the Extra Ordinary General Meeting held on January 19, 2024.
- The board of directors in its meeting held on January 23, 2024, appointed Sheriya Jain as Company Secretary & Compliance officer of the Company & Mr. Rajesh Agarwal as Chief Financial Officer of the Company w.e.f. January 23, 2024.

#### 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 29 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Significant developments in India's economic and fiscal policies;



- Failure to adapt to the changing needs of industry and in particular Sector may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market;

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# MANAGEMENT'S DISCUSSION ON RESULTS OF OPERATION

(Rs. In Lakhs)

	Particulars	For the per	riod ended			For the v	ear ended		
		Sept 30, 2023	%age of Total Income	March 31, 2023	%age of Total Income	March 31, 2022	%age of Total Income	March 31, 2021	%age of Total Income
I	Revenue from operations	5,833.61	99.55%	9,314.55	99.41%	4,682.68	99.62%	2,756.73	99.76%
II	Other Income	26.21	0.45%	55.31	0.59%	17.71	0.38%	6.62	0.24%
III	Total Income (I+II)	5,859.82	100.00%	9,369.86	100.00%	4,700.39	100.00%	2,763.36	100.00%
IV	EXPENSES								
	Purchase	2,344.09	40.00%	3,139.79	33.51%	2,657.06	56.53%	2,294.98	83.05%
	Changes in inventories of Finished Goods, Work-in- progress and Stock-in-Trade	(109.67)	(1.87) %	(518.13)	(5.53) %	(1,142.17)	(24.30) %	(884.59)	(32.01) %
	Purchase Merchandise	-	-	13.83	0.15%	32.77	0.70%	-	-
	Cost of Production / Acquisition and Webcast Fees	332.83	5.68%	956.63	10.21%	374.05	7.96%	322.38	11.67%
	Employee Benefit Expenses	621.87	10.61%	842.05	8.99%	400.06	8.51%	261.87	9.48%
	Finance Costs	12.08	0.21%	22.51	0.24%	41.57	0.88%	74.57	2.70%
	Depreciation and Amortization Expenses	40.49	0.69%	80.97	0.86%	77.34	1.65%	74.03	2.68%
	Other Expenses	979.20	16.71%	2,707.33	28.89%	1,705.25	36.28%	443.27	16.04%
	Total Expenses (IV)	4,220.89	72.03%	7,244.98	77.32%	4,145.91	88.20%	2,586.50	93.60%
	Total Expenses (11)	1,220.00	72.05 70	7,244,20	77.5270	4,143.71	00.20 / 0	2,500.50	22.00 70
V	Profit/(Loss) before exceptional items and taxes	1,638.93	27.97%	2,124.88	22.68%	554.48	11.80%	176.86	6.40%
VI	Exceptional Items	-	_	_	_	-	_	-	_
	Prior period items	-	_	_	_	_		_	
VII	Profit before Tax (V - VI)	1,638.93	27.97%	2,124.88	22.68%	554.48	11.80%	176.86	6.40%
VIII	Tax expense:								0,10,0
	(1) Current tax	412.52	7.04%	619.03	6.61%	168.21	3.58%	57.98	2.10%
	(2) Deferred tax	(1.39)	(0.02) %	(5.21)	(0.06) %	(6.62)	(0.14) %	(6.83)	(0.25) %
IX	Profit for the period from continuing operations (VII - VIII)	1,227.80	20.95%	1,511.06	16.13%	392.89	8.36%	125.71	4.55%
X	Profit from discontinuing operations	-	-	-	-	-	-	-	-
XI	Profit for the year	1,227.80	20.95%	1,511.06	16.13%	392.89	8.36%	125.71	4.55%
XII	Other Comprehensive Income								
	Items that will not be reclassified to profit & loss Account								
	Remeasurements of the present value of defined benefit obligation	-	-	(1.50)	(0.02) %	3.42	0.07%	-	-
XIII	Total Comprehensive Income for the period comprising profit and Loss and other Comprehensive income	1,227.80	20.95%	1,509.57	16.11%	396.31	8.43%	125.71	4.55%
XIIV	Earning per equity share:								
	(1) Basic	22.00		27.47		392.89		125.71	
	(2) Diluted	22.00		27.47		392.89		125.71	



### Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies", under Chapter titled Financial Statements beginning on page 252 of the Draft Red Herring Prospectus.

### **Overview of Revenue & Expenditure**

The following discussion on results of operations should be read in conjunction with the Restated Financial statements for the period ending on September 30, 2023, Financial Year 2022-23, Financial Year 2021-22 & Financial Year 2020-21 Our revenue and expenses are reported in the following manner:

#### Revenues

## **♦** Revenue of operations

Our Company's revenue is primarily generated from Subscription earnings, YouTube Based Income, Advertisement Income, Intellectual Property Revenue, coupon related services.

#### ♦ Other Income

Other Income includes interest income, Net foreign exchange differences, Reversal of Expenses payable and Other Misc Receipts.

#### **Expenditure**

Our total expenditure primarily consists of Purchase, Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade, Cost of Production / Acquisition and Webcast Fees, Employee Benefit Expenses, Finance Costs, Depreciation and Amortization Expenses and Other Expenses.

#### ♦ Purchase

Purchases include the purchase of content or shows from production houses through production service agreement.

#### ♦ Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade

The Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade is the change in the Change in the Web Series and Films at the opening and closing period. It includes the purchase of new web series and the depreciation of old web series.

### ♦ Cost of Production / Acquisition and Webcast Fees

It includes Server Hire Charges, Dubbing Charges, Software Hire Charges, Script writing & Translation Charges, Fees Paid to Censer Board, Copy Right & Patent Expenses and DI & Testing Charges.

## **♦** Employee Benefit Expenses

It includes Salaries, Staff Welfare Expenses and Provision for Gratuity.



#### **♦** Finance Cost

It includes Bank Charges and Commission, Processing Fees and Interest on Loan.

#### **♦** Depreciation and Amortization Expenses

Depreciation and Amortization Expenses majorly includes depreciation on Computer Software and printers, Office Equipment, Vehicles and Furniture & Fixtures.

#### Other Expenses

Other Expenses include major expenses on Advertising, sales and Business Promotion, Rent Fees & Taxes, Legal & Professional, Computer Expenses, Printing & stationery, Travelling and Conveyance, Electricity Expenses, etc.

# PERIOD ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

#### Revenues

#### **♦ Total Income**

Total Income for the period ended March 31, 2023, stood at Rs. 9,369.86 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 4,700.39 Lakhs representing an increase of 99.34%.

**Reason:** The increase in total income of the company is due to a significant increase in the revenue of the company and general growth in the business operations of the Company.

#### **♦** Revenue of operations

Net revenue from operations for the period ended March 31, 2023, stood at Rs. 9,314.55 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 4,682.68 Lakhs representing an increase of 98.91%.

**Reason:** The significant increase in revenue is because of two key drivers contributing to this success: a substantial rise in the number of subscribers to our platform and a decrease in Legal and Professional Charges.

Our subscriber rates have been increasing year on year. As on the date of this Draft Red Herring Prospectus, we have more than twenty lakhs active subscribers on our platform. The increase in our subscriber rate is given as follows:

Particulars	March 2023	March 2022
Total number of subscribers	27,59,397	17,70,439
% increase in Subscribers	55.86%	54.40%

Apart from increased subscribers' rate, there have been a substantial decrease in our legal and professional charges the details of which are as follows:



(Amount in Lakhs)

Particulars	March 2023	March 2022
Legal and Professional charges	288.5	973.13
Total expenses	7,244.98	4,145.91
% of Total Expenses	3.98%	23.47%
Revenue from operations	9,314.55	4,682.68
% of revenue from Operations	3.10%	20.78%

As seen from the above table, there has been a significant decrease in our legal and professional charges from March 2022 to March 2023. In March 2022, the legal and professional charges amounted to Rs. 973.13 Lakhs, whereas in March 2023, they decreased substantially to Rs. 288.5 lakhs. This decrease in legal and professional charges contributed to a lower percentage of total expenses, dropping from 23.47% in March 2022 to 3.98% in March 2023.

This decrease in legal and professional charges alongside the increase in revenue from operations indicates improved cost management and efficiency within the company. It suggests that the company may have implemented more effective legal strategies or reduced reliance on external legal services, resulting in lower expenses. Additionally, the increase in revenue from operations reflects positive growth and increased business activity, contributing to overall financial health and stability.

#### **♦ Other Income**

Other Income for the Period ended March 31, 2023, stood at Rs. 55.31 Lakhs whereas in the Financial Year 2021-22 it stood at Rs. 17.71 Lakhs representing an increase of 212.38%.

**Reason:** Other Income increased because of an Increase in Interest income, other miscellaneous receipts and reversal of expenses payable

#### Expenditure

#### **♦ Total Expenses**

Total Expenses for the Period ended March 31, 2023, stood at Rs. 7,244.98 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 4,145.91 Lakhs representing an increase of 74.75%.

**Reason:** Total Expenses for the Financial Year ending on March 31, 2023, have witnessed a notable increase of 14.72%. This rise can be attributed to the increase in various factors, including the Cost of Production, Finance Costs, and Other Expenditures. It's important to note that as the business scales up, a corresponding increase in overall costs and expenses is a natural progression.

### **♦** Purchase

Purchase for the Period ended March 31, 2023, stood at Rs. 3,139.79 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 2,657.06 Lakhs representing an increase of 18.17%.

**Reason:** The increase in purchase represents the increase in content purchased from the production houses through production service agreements and purchase of rights of international content from outside agencies. The company acquired various content in the year 2023, as compared to the year 2022, the comparison of the same is given below:



The content acquired in the financial year 2023 are as follows:

Sr. No.	Licensor	<b>Content Genre</b>	Date
1	V Venture	Turkish content	07th Jan 2023
2	Stewpot	Turkish content	20th May 2023
3	GoQuest	Korean Content	05th Jun 2023
4	Stewpot	Russian Content	13th Jul 2023
5	Stewpot	Korean Content	8th August 2023
6	Yes Man Films	Turkish content	8th May 2023
7	NCH	Korean Content	23rd August 2023

The content acquired in the financial year 2022 is as follows:

Sr. No.	Licensor	<b>Content Genre</b>	Date
1	Pernod Ricard	Turkish content	17th May 2022
2	ARY	Korean Content	31st May 2022
3	Viniyard	Russian Content	07th Jun 2022
4	Stewpot Communications	Korean Content	07th Nov 2022
5	Pernod Ricard	Korean Content	17th May 2022

#### ♦ Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade

Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade for the Period ended March 31, 2023, stood at Rs. (518.13) Lakhs whereas in the Financial Year 2021-22 it stood at Rs. (1,142.17) Lakhs representing a decrease of 54.64%.

#### **♦** Purchase Merchandise

Purchase Merchandise for the Period ended March 31, 2023, stood at Rs. 13.83 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 32.77 Lakhs representing a decrease of 57.79%.

### ♦ Cost of Production / Acquisition and Webcast Fees

The Cost of Production / Acquisition and Webcast Fees for the Period ended March 31, 2023, stood at Rs. 956.63 Lakhs whereas in the Financial Year 2021-22 it stood at Rs. 374.05 Lakhs representing an increase of 155.75%.

**Reason:** The increase in expenses is a direct result of the company embarking on new projects. As the company expands its range of shows and undertakes more productions, the overall costs of production naturally rise. This includes higher spending in various areas such as server hire charges, dubbing fees, software rentals, scriptwriting and translation expenses, copyright and patent fees, and DI (Digital Intermediate) and testing charges. Additionally, with the increase in the number of projects, there is also a corresponding rise in post-production costs. This encompasses expenses incurred after filming, such as editing, sound design, visual effects, and finalizing the content for distribution. Overall, the expansion of the company's portfolio necessitates increased investment across multiple facets of production, leading to a rise in overall production costs.

### **♦** Employee Benefit Expenses



Employee Benefit Expenses for the Period ended March 31, 2023, stood at Rs. 842.05 Lakhs whereas in the Financial Year 2021-22 it stood at Rs. 400.06 Lakhs representing an increase of 110.48%.

**Reason:** Employee benefit expenses have notably surged in the fiscal year 2023 compared to the previous fiscal year. This uptick is directly linked to the expansion of projects during the fiscal year 2023, leading to heightened demand for employees in various teams. Particularly, there is a substantial need for employees in the post-production team, including editors, sound artists, marketing and sales personnel, IT development and integration division members to ensure a seamless audience experience on our app, as well as employees in the content creation division.

Conversely, the company previously engaged external experts to oversee the seamless delivery of projects from production houses, incurring significant expenses in this regard during the year 2022, which were classified under "other expenses." However, in the fiscal year 2023, the company opted to entirely eliminate the cost associated with these external professionals and instead hired internal employees to monitor the timely delivery of content from production houses. This strategic shift has led to an increase in employee benefit expenses.

The increase in legal and professional charges and proportionate increase in employee benefit expenses is given below:

(Amount in Lakhs)

Particulars	March 2023	March 2022
Legal and Professional charges	288.5	973.13
Total expenses	7,244.98	4,145.91
% of Total Expenses	3.98%	23.47%
Revenue from operations	9,314.55	4,682.68
% of revenue from Operations	3.10%	20.78%

(Amount in Lakhs)

Particulars	March 2023	March 2022
Employee benefit expense	842.05	400.06
Total expenses	7,244.98	4,145.91
% of Total Expenses	11.62%	9.65%
Revenue from operations	9,314.55	4,682.68
% of revenue from Operations	9.04%	8.54%

#### **♦ Finance Costs**

Finance Costs for the Period ended March 31, 2023, stood at Rs. 22.51 Lakhs whereas in the Financial Year 2021-22 it stood at Rs. 41.57 Lakhs representing a Decrease of 45.83%.

**Reason:** The decrease in finance cost is attributed to a significant decrease in interest on loan.

#### **♦** Depreciation and Amortization Expenses

Depreciation and Amortization Expenses for the Period ended March 31, 2023, stood at Rs. 80.97 Lakhs whereas in the Financial Year 2021-22 it stood at Rs. 77.34 Lakhs representing an Increase of 4.70%.

**Reason:** This increase is primarily due to the purchase of fixed assets, resulting in an increase of Depreciation Expenses.



### **♦ Other Expenses**

The Other Expenses for the Period ended March 31, 2023, stood at Rs. 2,707.33 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 1,705.25 Lakhs representing an increase of 58.76%.

**Reason:** Major increase in other expenses could be seen in Advertising, sales and Business Promotion, Rent Fees & Taxes, Computer Expenses, Travelling and Conveyance, Electricity Expenses, Repair & maintenance, Donation, Security Charges.

#### **♦** Restated Profit before Tax

The restated profit before tax for the Period ended March 31, 2023, stood at Rs. 2,124.88 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 554.48 Lakhs representing a increase of 283.22%.

#### **♦** Restated Profit after Tax

The restated profit after tax for the Period ended March 31, 2023, stood at Rs. 1,511.06 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 392.89 Lakhs representing an increase of 284.60%.

**Reason:** The increase in the profit after tax is attributed to:

- 1. The allocation of shared fixed costs, applicable to all projects, across various premium projects. These shared costs cover operational expenses, administrative costs and infrastructure investments.
- 2. Additionally, a substantial portion of the expenditure involved in crafting the foundational elements such as the bible, script, and concept for our existing projects was incurred in prior years

# FISCAL YEAR ENDED MARCH 31, 2022, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (BASED ON RESTATED FINANCIAL STATEMENTS)

#### Revenues

## **♦ Total Income**

Total Income for the Financial Year 2021-22 stood at Rs. 4,700.39 Lakhs whereas in the Financial Year 2020-21 it stood at Rs. 2,763.36 Lakhs representing an increase of 70.10%.

**Reason:** The increase in total income of the company is due to a significant increase in the revenue of the company and general growth in the business operations of the Company.

#### **♦** Revenue of operations

Net revenue from operations For the Financial Year 2021-2022 stood at Rs. 4,682.68 Lakhs. Whereas For the Financial Year 202-21, it stood at Rs. 2,756.73 Lakhs representing an increase of 69.86%.

**Reason:** The significant increase in revenue is because of two key drivers contributing to this success: a substantial rise in the number of subscribers to our platform and an increase in the number of projects undertaken by the company.

Our subscriber rates have been increasing year on year. As on the date of this Draft Red Herring Prospectus, we have more than twenty lakhs active subscribers on our platform. The increase in our subscriber rate is given as follows:



Particulars	March 2022	March 2021
Total number of subscribers	17,70,439	11,46,646
% increase in Subscribers	54.40%	-

In addition to the increased number of subscribers, there has been a significant uptick in the number of projects/shows produced by the company. In the fiscal year 2022, the company successfully undertook a total of 66 projects/shows from production houses, which were duly produced and delivered on our app. This marks a substantial increase compared to the preceding fiscal year 2021, during which the company produced and delivered 21 projects/shows.

Furthermore, the company's expansion into new genres, particularly in the Mythology genre, has contributed to this increase in project count as well as revenue. Prior to the fiscal year 2021, the company had not ventured into producing shows in the Mythology genre. However, it has since initiated production in this genre, releasing content such as "Parshuram" seasons 1 and 2, "Hara Sindoor," "Suranga," and more. This diversification in content offerings has further fueled the rise in the number of projects undertaken by the company and thereby increasing the revenue from operations.

#### ♦ Other Income

Other Income for the Financial Year 2021-2022 stood at Rs. 17.71 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 6.62 Lakhs representing an increase of 167.37%.

**Reason:** Other Income increased because of an Increase in Interest income, other miscellaneous receipts and reversal of expenses payable.

#### **Expenditure**

#### **♦** Total Expenses

Total Expenses for the Financial Year 2021-2022 stood at Rs. 4,145.91 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 2,586.50 Lakhs representing an increase of 60.29%.

**Reason:** Total Expenses for the Financial Year ending on March 31, 2022, have witnessed a notable increase of 60.29%. This rise can be attributed to the increase in various factors, including the Cost of Production, employee benefit expense, legal and professional charges and Other Expenditures. It's important to note that post the covid-19 pandemic the number of projects undertaken by the company increases, which increases overall costs and expenses.

#### **♦** Purchase

Purchase for the Financial Year 2021-2022 stood at Rs. 2,657.06 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 2,294.98 Lakhs representing an increase of 15.78%.

**Reason:** The increase in purchase represents the increase in content purchased from the production houses through production service agreements and purchase of rights of international content from outside agencies. The company acquired various content in the year 2022, as compared to the year 2021, the comparison of the same is given below:



The content acquired in the financial year 2022 is as follows:

Sr. No.	Licensor	<b>Content Genre</b>	Date
1	Pernod Ricard	Turkish content	17th May 2022
2	ARY	Korean Content	31st May 2022
3	Viniyard	Russian Content	07th Jun 2022
4	Stewpot Communications	Korean Content	07th Nov 2022
5	Pernod Ricard	Korean Content	17th May 2022

The content acquired in the financial year 2021 is as follows:

Sr. No.	Licensor	<b>Production House</b>	Date
1	Khunnas	Mad Hat Productions	11th May 2021

### ♦ Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade

The Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade for the Financial Year 2021-2022 stood at Rs. (1,142.17) Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. (884.59) Lakhs representing an Increase of 29.12%.

#### **♦ Purchase Merchandise**

Purchase Merchandise for the Financial Year 2021-2022 stood at Rs. 32.77 Lakhs. Whereas For the Financial Year 2020-21, it stood at Nil representing an Increase of 100%.

#### **♦** Cost of Production / Acquisition and Webcast Fees

The Cost of Production / Acquisition and Webcast Fees for the Financial Year 2021-2022 stood at Rs. 374.05 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 322.38 Lakhs representing an increase of 16.03%.

**Reason:** The increase in the cost of production after the COVID-19 pandemic was due to an increase in the number of projects. In the preceding financial year 2020-21, the company undertook only 21 (twenty-one) projects due to lockdown and covid-19 pandemic. The pandemic caused disruptions in the entertainment and media industry leading to shut down of shooting expenses. However, in the financial year 2021-22, this number has seen a substantial elevation to 66 (sixty-six) projects. As the company produces a larger number of shows, the overall cost of production increases.

### **♦** Employee Benefit Expenses

The Employee Benefit Expenses for the Financial Year 2021-2022 stood at Rs. 400.06 Lakhs. Whereas For the Financial Year 2020-21, it stood at 261.87 Lakhs representing an increase of 52.77%.

**Reason:** The increase in employee benefit expenses is a direct result of the company embarking on new projects. As the company expands its range of shows and undertakes more productions, the overall costs of production naturally rise. This includes higher spending in various areas and leading to heightened demand for employees in various teams. Particularly, there is a substantial need for employees in the post-production team, including editors, sound artists, marketing and sales personnel, IT development and integration division members to ensure a seamless audience experience on our app, as well as employees in the content creation division.



#### **♦** Finance Costs

The Finance Costs for the Financial Year 2021-2022 stood at Rs. 41.57 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 74.57 Lakhs representing a Decrease of 44.26%.

**Reason:** The decrease in finance cost is attributed to a significant decrease in interest on loan.

## **♦** Depreciation and Amortization Expenses

The restated profit after tax For the Financial Year 2021-2022 stood at Rs. 77.34 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 74.03 Lakhs representing an increase of 4.47%.

**Reason:** This increase is primarily due to the purchase of fixed assets, resulting in an increase of Depreciation Expenses.

# **♦ Other Expenses**

The Other Expenses for the Financial Year 2021-2022 stood at Rs. 1,705.25 Lakhs. Whereas For the Financial Year 2020-21, it stood at Rs. 443.27 Lakhs representing an increase of 284.70%.

**Reason:** Major increase in other expenses could be seen in Advertising, sales and Business Promotion, legal and professional charges, Rent Fees & Taxes, Computer Expenses, Travelling and Conveyance, Electricity Expenses, Repair & maintenance, Donation, Security Charges.

#### **♦** Restated Profit before Tax

The restated profit before tax for the Financial Year 2021-2022 stood at Rs. 554.48 Lakhs whereas in Financial Year 2020-21 it stood at Rs. 176.86 Lakhs representing an increase of 213.52%.

## **♦** Restated Profit after Tax

The restated profit after tax for the Financial Year 2021-2022 stood at Rs. 392.89 Lakhs whereas in the Financial Year 2020-21 it stood at Rs. 125.71 Lakhs representing an increase of 212.55%.

**Reason:** The increase in the profit after tax is attributed to:

- 1. The business operations of the company continued after covid- 19 pandemic leading to higher profits.
- 2. The allocation of shared fixed costs, applicable to all projects, across various premium projects. These shared costs cover operational expenses, administrative costs and infrastructure investments.

Additionally, a substantial portion of the expenditure involved in crafting the foundational elements such as the bible, script, and concept for our existing projects was incurred in prior years.

# INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

### 1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring 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 29 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

# 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 29 and 296, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

## 4. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from the Subscription earnings, YouTube Based Income, Advertisement Income, Intellectual Property Revenue, coupon related services.

# 5. Future changes in the relationship between costs and revenues, in case of events such as future increase in cost of production that will cause a material change are known.

Our Company's future costs and revenues can be indirectly impacted by an increase in cost of production for the execution of the projects and employee benefit expenses.

#### 6. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by competition, demand/supply situation, interest rates quoted by banks & others.

# 7. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in our revenues are by and large linked to increases in the volume of business.

### 8. Total turnover of each major industry segment in which the issuer company operates.

The Company operates in the Media and Entertainment Industry. Relevant industry data, as available, has been included in the chapter titled "Our Industry" beginning on page 137 of this Draft Red Herring Prospectus.

#### 9. Status of any publicly announced new products or business segments.

Our Company has not announced any new services and segment / scheme, other than disclosure in this Draft Red Herring Prospectus.

#### 10. The extent to which the business is seasonal.

Our business is not seasonal in nature.



# 11. 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 the section titled Our Business on page 167 of this Draft Red Herring Prospectus.

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#### FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on September 30, 2023, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs 76.64 lakhs and Unsecured Loan aggregating to Rs. 163.35 lakhs, as per the certificate issued by M/s Jain V. & co., Chartered Accountants, dated February 07, 2024.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions on a consolidated basis as of September 30, 2023:

#### Secured

(Rs. In Lakhs)

Name of persons/companies	Loan Amounts	Rate of Interest	Nature of Tenure	Outstanding as on September 30, 2023
HDFC Bank	18.45	8.5%	Long term	15.08
HDFC Bank	19.95	7.8%	Long term	6.47
HDFC Bank	100.00	8.3%	Long term	55.09

#### **Unsecured**

(Rs. In Lakhs)

Name of persons/companies	Loan Amounts	Rate of Interest	Nature of Tenure	Outstanding as on September 30, 2023
HDFC Bank	50.00	10.25%	Short Term	31.75
Vibhu Agarwal	123.60	0.00	Long term	123.6
Shashi Rani Agarwal	8.00	0.00	Long term	8

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#### SECTION VII - LEGAL AND OTHER INFORMATION

#### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against anyother company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whetherthey are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- f) Material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and
- c) Any such litigation which does not meet the criteria set out in (a) above and an adverse outcome which would materially and adversely affect the operations or financial position of the Company.



d) Our Board, in its meeting held on July 29, 2023, determined that outstanding legal proceedings involving the Company, its Directors and Promoters 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.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to the contrary, the information provided is as of date of this Draft Red Herring Prospectus.

- I. Litigations involving our Company.
  - A. Against our Company
    - 1. Litigation involving Criminal Matters: Nil
    - 2. Litigation involving Civil Matters: Nil
    - 3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
    - 4. Litigation/Matters involving Tax Liabilities: as below.

A Show-cause notice dated June 11, 2021, bearing reference no. ZA0606210146213 issued by Goods & Services Tax Authority, Haryana to the Company for the following discrepancies in the return filed by the company:

- 1. In-eligible ITC claimed from GSTR 3B non-filed
- 2. Excess ITC claimed in GSTR 3B/9 which is not confirmed in GSTR 2B, 8A of GSTR 9 & RCM tax paid
- 3. In-eligible ITC claimed from RC is cancelled suppliers

Thereafter, Notice (as per Form DRC-01A) dated November 10, 2023, bearing reference no. ZD271123024375P, issued by the Goods & Services Authority, Mumbai to the Company under Section 73(5) of the CGST Act calling upon the Company to pay a sum of Rs. 20,61,732/- (Rupees twenty lakh sixty-one thousand seven hundred and thirty-two only) toward CGST and SGST for the financial year 2020-21, in the pretext that the return submitted by it for the financial year 2020-21 was scrutinized and found to bear certain discrepancies. The Company was called on to file submissions, if any, within fifteen days from the date of the notice.

**Current Status:** The company is in the process of filing the appeal against the said demand.

Apart from the above, currently as on the date of this draft red herring prospectus there are no tax proceedings against the company. However, some notices have been issued against the company for discrepancies in the return filed by the company, but no demand has been raised by the GST authorities in respect of the same, the details of which are as follows:



- b. Notice dated October 27, 2022, bearing reference no. ZA2910221956577, issued by Goods & Services Tax Authority, Karnataka to the Company under Section 46 of CGST Act requiring it to furnish appropriate return within November 11, 2022.
- c. Notice dated December 20, 2022 (as per Form GST ASMT 10) bearing reference no. ZD271222049452M issued by the Goods & services Authority, Mumbai to the Company under Section 61(1) of CGST Act, intimating that there were discrepancies in return filed for the financial year 2019-20, and called on the Company to file its reply by January 20, 2023.
- d. Notice dated July 04, 2023 (as per Form GST ASMT -10) bearing reference no. ZD270723005234P issued by the Goods & Services Authority, Mumbai to the Company under Section 61 of CGST Act intimating that there were discrepancies in return filed for the financial year 2020-21 and called on the Company to file its reply by August 08, 2023.
- e. Notice dated July 27, 2023 (as per Form GST ASMT-10) bearing reference no. ZA060723097876V, issued by Goods & Services Tax Authority, Haryana to the Company under Section 46 of the Central Goods and Services Tax Act, 2017 ("CGST Act") informing that discrepancies were noticed in the return filed for the financial year 2021-22 and further requiring it to furnish appropriate reply within August 11, 2023.
- f. Notice dated December 12, 2023 (as per Form GST ASMT 10) bearing reference no. ZD271223002275V issued by the Goods & services Authority, Mumbai to the Company under Section 61(1) of CGST Act, intimating that there were discrepancies in return filed for the financial year 2019-20 i.e. the Company had claimed Input Tax Credit in excess. By a reply dated January 04, 2024, the Company represented that as on April 01, 2021, it had an unutilized balance against income tax credit for the financial year 2021-22 amounting to Rs. 58,48,548/- and that the same was used by it during the financial year 2021-22 for paying its GST liability on output service, and in pursuance thereof, produced a table detailing such payments and explaining reconciliation of the accounts in respect of which the GST authorities had alleged mismatch. It was also represented that the Company had satisfied the provision under Section 16 of the CGST Act and hence, was eligible for input tax credit. Hence, the concerned authority requested that the claim raised by the Company as to input tax credit be allowed.

## B. By our Company

- 1. Litigation involving Criminal Matters: Nil
- 2. Litigation involving Civil Matters: Nil
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- 4. Litigation/Matters involving Tax Liabilities: NIL

## II. Litigations involving our Promoters/Directors

## A. Against our Promoters/Directors



- 1. Litigation involving Criminal Matters: Nil
- 2. Litigation involving Civil Matters: NIL
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
- 4. Litigation/Matters involving Tax Liabilities: See (III A)

### B. By our Promoters/Directors

- 1. Litigation involving Criminal Matters: NIL
- 2. Litigation involving Civil Matters: NIL
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- 4. Litigation/Matters involving Tax Liabilities: Nil

## III. Litigations involving our Group Entities

### A. Against our Group Entities: Nil

#### **ULLU 99 Ecom Private Limited**

Some notices have been issued against ULLU 99 Ecom Private Limited for discrepancies in the return filed by the company or for amendment application, but no demand has been raised by the GST authorities in respect of the same, the details of which are as follows:

- a. A notice bearing reference no. ZA0910223023924 dated October 28, 2022, under Section 46 of CGST Act was issued against ULLU 99 Ecom Private Limited (being one of the group companies) on the allegation that it had not filed any return (as required under Section 46 of CGST Act) till date.
- b. A notice bearing reference no. ZA0904230870698 dated April 12, 2023, was issued against ULLU 99 Ecom Private Limited (being one of the group companies) by Learned Assistant Commissioner, GST, Lucknow, seeking additional information (documents relating to place of business, etc.) in respect of an amendment application filed by it on March 17, 2023. It was mentioned that in the event of failure to reply to notice, the amendment application of ULLU 99 Ecom Private Limited would be liable for rejection.
- c. A notice bearing reference no. ZA0904231871588 dated April 24, 2023, was issued in favour of ULLU 99 Ecom Private Limited (being one of the group companies) by GST, Lucknow, informing that its amendment application was found to be in order and as such, amended registration certificate was available on its dashboard.
- d. Two summons were issued against Vibhu Agarwal (in his capacity as the Director of Ullu 99 Ecom Private Limited) under Section 70 of Uttar Pradesh Goods and Services Tax Act, 2017 ("UPGST Act"), requiring him to appear on May 26, 2023 and June 21, 2023 before the concerned GST official in furtherance of proceedings initiated under Section 67(2) of UPGST Act (against Ullu 99 Ecom



Private Limited) which empowers the GST department to seize such goods, documents, books or things which would be useful or relevant to any proceeding and are secreted in any place.

## Atrangii Network Private Limited

Some notices have been issued against Atrangii Network Private Limited for discrepancies in the return filed by the company or amendment applications, but no demand has been raised by the GST authorities in respect of the same, the details of which are as follows:

- a. A notice bearing reference no. ZA270922360463E dated September 30, 2022, was issued against Atrangii Network Private Limited (being one of the group companies) by GST Department, seeking additional information (documents relating to place of business, etc.) in respect of an amendment application filed by it on September 16, 2022. It was mentioned that in the event of failure to reply to notice, the amendment application of Atrangii Network Private Limited would be liable for rejection.
- b. A notice bearing reference no. ZA271022082691P dated October 14, 2022, was issued in favour of Atrangii Network Private Limited (being one of the group companies) by the concerned GST official informing that its amendment application was found to be in order and as such, amended registration certificate was available on its dashboard for download.

## Himalaya Fibertech Cement Private Limited

a. A notice bearing reference no. ZA091119004695E dated November 13, 2019, issued against Himalaya Fibertech Cement Private Limited (being one of the group companies) by the Learned Assistant Commissioner, Lucknow, demanding a sum of Rs. 92,294/- (Rupees ninety-two thousand two hundred and ninety-four only) toward tax imposed on goods unloaded at different locations instead of the declared vehicle.

**Current status**: The company paid the above demand on November 11, 2019. And the case has been disposed of.

Apart from the above, currently as on the date of this draft red herring prospectus there are no tax proceedings against the company. However, some notices have been issued against the company for discrepancies in the return filed by the company, but no demand has been raised by the GST authorities in respect of the same, the details of which are as follows:

- b. A notice bearing reference no. ZA090818043939O dated August 22, 2018, was issued in favour of Himalaya Fibertech Cement Private Limited (being one of the group companies) by the concerned GST official at Lucknow informing that its amendment application filed on July 30, 2018, was found to be in order and as such, amended registration certificate was available on its dashboard for download.
- c. A notice bearing reference no. ZA0910210923020 dated October 13, 2021, was issued against Himalaya Fibertech Cement Private Limited (being one of the group companies) by GST Department, seeking additional information (documents relating to place of business, etc.) in respect of an amendment application filed by it on October 06, 2021. It was mentioned that in the event of failure to reply to notice, the amendment application of Himalaya Fibertech Cement Private Limited would



be liable for rejection.

- d. A notice bearing reference no. ZA0910211514109 dated October 22, 2021, was issued in favour of Himalaya Fibertech Cement Private Limited (being one of the group companies) by the concerned GST official at Lucknow informing that its amendment application filed on October 06, 2021, was found to be in order and as such, amended registration certificate was available on its dashboard for download.
- e. A notice bearing reference no. ZA090423065041W dated April 10, 2023, was issued against Himalaya Fibertech Cement Private Limited (being one of the group companies) by GST Department, seeking additional information (documents relating to place of business, etc.) in respect of an amendment application filed on October 06, 2021. It was mentioned that in the event of failure to reply to notice, the amendment application of Himalaya Fibertech Cement Private Limited would be liable for rejection.
- f. A notice bearing reference no. ZA090423178133L dated April 25, 2023, informing the order passed by the Learned Authority of GST Department, Lucknow rejecting the reply of Himalaya Fibertech Cement Private Limited (being one of the group companies) as well as the amendment application (filed on March 30, 2023) inasmuch as the same was found to be unsatisfactory.
- g. Summonses were issued against Vibhu Agarwal (in his capacity as the Director of Himalaya Fibertech Cement Private Limited) under Section 70 of Uttar Pradesh Goods and Services Tax Act, 2017 ("UPGST Act"), requiring him to appear on May 26, 2023, June 21, 2023 before the concerned GST official in furtherance of proceedings initiated under Section 67(2) of UPGST Act (against Himalaya Fibertech Cement Private Limited) which empowers the GST department to seize such goods, documents, books or things which would be useful or relevant to any proceeding and are secreted in any place.
- h. Summonses bearing reference no. ZD0906230890092 and ZD0905231066417H dated May 22, 2023 and June 15, 2023, respectively, were issued against Vibhu Agarwal (in his capacity as the Director of Himalaya Fibertech Cement Private Limited) under Section 70 of CGST Act, requiring him to appear on May 26, 2023 and June 21, 2023, respectively, before the concerned GST official in furtherance of proceedings initiated under Section 67(2) of UPGST Act (against Himalaya Fibertech Cement Private Limited) which empowers the GST department to seize such goods, documents, books or things which would be useful or relevant to any proceeding and are secreted in any place.

**Current status:** the company is in the process of submitting the reply.

# Jaypeeco India Private Limited

a. Jaypeeco India Private Limited (being one of the group companies) filed an appeal being no. ZD091222008228O on May 15, 2021 before the Learned Appellate Authority challenging the order dated February 20, 2021 passed by the assessing officer holding that it transpired from the search and seizure at the premises of the said entity, that the entity was concealing relevant documents from the authority regarding its sale of 735.52 mt of steel bars at a price below the market price for the year 2017-18. By an order dated January 21, 2023, passed by the Learned Appellate Authority, the order under challenge in appeal was set aside.



#### **Summary of the case:**

The unit conducted a survey of the firm and claimed that 735.52 metric tons of steel bars were sold below market price during the fiscal year 2017-2018. However, this assertion contradicts the facts, and the assessing officer failed to consider the evidence provided by the company. The notice issued by the Goods & Services Authority demanding payment lacks proper calculation and overlooks the documents submitted by the company. Furthermore, the company asserts that its sales were in compliance with GST regulations, and discrepancies in pricing were due to contractual agreements, not violations of tax laws.

In response to the allegations, the company provided evidence of sales transactions and purchase orders to refute the claims of underpricing. It argues that certain sales were made at agreed-upon rates outlined in contractual agreements, particularly with Himalaya Fibertech Cement Pvt. Ltd. The company insists that all required documents have been submitted and are accessible on the department's website, refuting allegations of concealment or willful misstatements. Therefore, the company seeks to challenge the imposed tax and penalties, urging the dismissal of the impugned order.

### **B. By our Group Entities: Nil**

### IV. Litigations relating to the Subsidiary Company

A. Against Directors of our Subsidiary Company: Nil

## B. By Directors of our Subsidiary Company: Nil

Note: Our Company has no Subsidiary Company.

Apart from the above, a proceeding under section 147 of the Income Tax Act, 1961, was initiated against Mr. Avinash Dugar (Chief Executive Officer of the company) for the assessment year 2015-16.

# V. Other litigations involving any other entities may have a material adverse effect on our Company.

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

## VI. Details of the past penalties imposed on our Company / Directors

Except as disclosed above as on the date of this Draft Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

#### VII. Outstanding dues to Creditors

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on September 30, 2023, our Company had outstanding dues to creditors as follows:



Particulars	(Amount in Lakh)
Trade Payables	
Micro, Small and Medium Enterprises	-
Others	1811.00
Total	1811.00

The information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.ullu.ltd would be doing so at their own risk.

## VIII. Material developments occurring after last balance sheet date, that is, March 31, 2023.

Except as disclosed in the section titled -Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company beginning on page number 296 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

#### We certify that except as stated herein above:

- a. 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, promoters, group entities, companies promoted by the promoters during the past three years.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of our promoters, group company's entities promoted by the promoters of our company.
- i. There are no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our directors has been charge-sheeted



with serious crimes like murder, rape, forgery, economic offences etc.

- j. The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. Neither the Company nor any of its promoters or directors is a willful defaulter.

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#### GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorisations") listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority 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. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled "Key Industry Regulation and Policies" beginning on page 202 of the Draft Red Herring Prospectus.

#### CORPORATE APPROVALS FOR THIS ISSUE

- 1. The Board of Directors have, pursuant to resolutions passed at its meeting held on February 07, 2024, approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
- 2. The Shareholders have, pursuant to the resolution dated February 08, 2024, under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

#### IN-PRINCIPLE APPROVAL

The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

## AGREEMENTS WITH NSDL AND CDSL

- 1. The Company has entered into an agreement dated December 11, 2023, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited for the dematerialization of its shares.
- 2. The Company has also entered into an agreement dated December 08, 2023, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited for the dematerialization of its shares.
- 3. The Company's International Securities Identification Number (ISIN) is INE0S8O01012.

## INCORPORATION DETAILS OF OUR COMPANY

S.N.	Authorisation granted	Issuing Authority	CIN	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of "Ullu Digital Private Limited"	ROC, Delhi	U92100DL2019PTC343697	02/01/2019	Perpetual



2.	Certificate of Incorporation for				
	conversion from Private to Public	ROC,	U92100DL2019PLC343697	20/10/2022	Domostwo1
	company in the name of "Ullu	Delhi	U92100DL2019PLC343097	30/10/2023	Perpetual
	Digital Limited"				

# TAX RELATED AUTHORISATIONS OF COMPANY

S.N.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number  Income Tax Department, GoI		AACCU3594J	02/01/2019	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GoI	DELU06891D	07/11/2023	Perpetual
3.	Details of GST re	egistration of the Comp	pany		
	GST Registration Certificate (Maharashtra)	Central Goods and Services Tax Act, 2017	27AACCU3594J1ZW	11/06/2021	Valid until cancellation
	GST Registration Certificate (Gurgaon, Haryana)  Central Goods and Services Tax Act, 2017		06AACCU3594J1Z0	16/06/2021	Valid until cancellation
	GST Registration Central Goods and Services Tax Act, (Karnataka) 2017		29AACCU3594J1ZS	04/07/2021	Valid until cancellation
	GST Registration Central Goods and Certificate Services Tax Act, (Delhi) 2017		07AACCU3594J1ZY	02/02/2024	Valid until cancellation

# **BUSINESS RELATED CERTIFICATIONS**

Our Company has received the following significant government and other approvals pertaining to our business:

S.N.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid upto
01.	Shop & Establishment Certificate (Delhi)	Department of Labour, Government of National Capital Territory of Delhi	2023165299	4-12-2023	Valid until Cancellation
02.	Shop & Establishment Certificate (Mumbai)	Office of the Deputy Commissioner of Labour,	820309730	13-10-2023	Valid until Cancellation



03.	Shop & Establishment Certificate (Lucknow)	Labour Department, Uttar Pradesh	UPSA28757252	07-12-2023	Valid until Cancellation
04.	Employees' Provident Fund Registration	Employees' Provident Fund Organisation	DLCPM2332018000	17-03-2021	Valid until Cancellation
05.	ESI Registration	Employees' State Insurance Corporation	20001395220000999	17-3-2021	Valid until Cancellation
06.	PTEC Registration Certificate	Government of Maharashtra, Sale Tax Department	99844467476P	01-04-22	Valid until Cancellation
07.	PTRC Registration Certificate	Government of Maharashtra, Sale Tax Department	27782030311P	01-04-22	Valid until Cancellation

# **BUSINESS RELATED CERTIFICATIONS**

Our Promoter Mr. Vibhu Agarwal has received the following significant certificates and License pertaining to our business:

S.N.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid upto
01.	IMPPA Registration	Indian Motion Picture Producers' Association	13805	-	31-03-2024

# **Intellectual Property Rights**

As on the date of this Draft Red Herring Prospectus, there are certain Intellectual Property rights in the name of the company. For further information regarding our Intellectual Property Rights, please refer to chapter titled "Our Business" under the heading "Intellectual Property Rights" on page 167 of the Draft Red Herring Prospectus.

#### **Domain**

The company owned 2 (two) domains in its own name, the details of which are given on page 167 under the chapter titled "Our Business" under the heading "Domain" of the Draft Red Herring Prospectus.

Material licenses/approvals for which our Company is yet to apply / Statutory Approvals/ Licenses required for the proposed expansion.

Our Company do not have any pending licenses, permissions, and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies which applied for but not yet received.

Note: Some of the approvals are in the name of Ullu Digital Private Limited and the Company is in the process of getting all the approvals in the new name of the Company i.e. Ullu Digital Limited.



The Company has submitted requests to the relevant regulatory bodies/ authorities to update the company's name in licenses and other approvals, such as TAN, GST, EPF, etc. & we believe that it will change in due course of time.

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.

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#### OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Authority for the Issue**

- 1. This Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on February 07, 2024.
- 2. The Shareholders of our Company have authorized this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on February 08, 2024, and authorized the Board to take decisions in relation to this Issue.
- 3. The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
- 4. Our Board has approved this Draft Red Herring Prospectus through its resolution dated February 11, 2024.
- 5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled "*Government and Other Approvals*" beginning on page number 321 of this Draft Red Herring Prospectus.

## **Prohibition by SEBI**

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

# Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

## Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

In view of the General Circular No. 07/2018 dated September 6, 2018, and General Circular No. 8/2018 dated September 10, 2018, issued by the Ministry of Corporate Affairs, Government of India, our Company, and our Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018,



upon notification of the relevant forms, as may be applicable to them.

## Directors associated with the Securities Market

We confirm that none of our directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

#### **ELIGIBILITY FOR THIS ISSUE**

Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is More than Rs.1,000 Lakh, But upto 2,500 Lakh. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

#### We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue *will be hundred percent underwritten and the BRLM to the Offer will underwrite at least 15% of the Total Issue Size.* For further details pertaining to said underwriting please refer to "General Information" Underwriting on page 68 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLM shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled "General Information", "Details of the Market Making Arrangements for this Issue" on page 68 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- f) In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board.



- g) In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or fraudulent borrower.
- h) In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters or directors is a fugitive economic offender.
- i) In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to BSE Limited and BSE Limited is the Designated Stock Exchange.
- j) In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- 1) In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

#### **BSE ELIGIBILITY NORMS:**

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE India which states as follows:

# 1. Incorporation

The Company has been incorporated under the Companies Act, 2013 in India on January 02, 2019.

#### 2. Financials

# • Post Issue Paid up Capital.

The post issue paid up capital of the Company (face value) will not be more than Rs.2,500.00 Lakhs.

## • Net Worth

The Company has a positive Net worth on a Standalone basis (excluding revaluation reserves) which is Rs. 2,075.90 Lakhs as per the audited financial Statements as on March 31st, 2023.

# • Tangible Asset

The Net Tangible Asset of the Company is Rs. 7,156 Lakhs as on March 31st, 2023. The Net Tangible Asset of the Company is Rs. 7,686 Lakhs as on September 30, 2023

## • Track record.

Our Company was incorporated on 02/01/2019 under the provisions of Companies Act, 2013, therefore, we satisfy the criteria of Track Record:

(Amount in Lakhs)

Particulars	September 2023	2022-23	2021-22	2020-21
Net Profit as per Restated Financial Statement	1,227.80	1,511.06	392.89	125.71



Earnings before Interest,	1 691 49	2 228 37	655.68	325.46
Depreciation and tax	1,071.47	2,220.37	055.00	323.40

## 1. Other Listing conditions:

- The company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories. Also, the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: <a href="www.ullu.ltd">www.ullu.ltd</a>.
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against our Company that has been accepted by a court.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- Leverage ratio of not more than 3:1. In our case the Leverage ratio is 0.06.
- Disciplinary action:
  - a. There is no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
  - b. None of the Promoter(s) or directors have been promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
  - c. None of the Director have been disqualified/ debarred by any of the Regulatory Authority.
- There is no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.

# COMPLIANCE UNDER REGULATION 300 OF SEBI(ICDR) REGULATIONS

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE 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 THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, NARNOLIA FINANCIAL SERVICES LIMITED AS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN



#### INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, NARNOLIA FINANCIAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, NARNOLIA FINANCIAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

# DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website <a href="www.ullu.ltd">www.ullu.ltd</a> & <a href="www.ullu.ltd">www.narnolia.com</a> would be doing so at his or her own risk.

#### **Caution**

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM 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 centers, *etc.* The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue 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 of our Company. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such an investor is eligible to acquire Equity Shares.



## **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him 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 Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited has given vide its letter dated [•] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue



to be listed on BSE; or

- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, 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 for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Delhi.

# DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur.

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.

## TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the BRLM to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to Annexure A to the Draft Red Herring Prospectus and the website of the BRLM at www.narnolia.com.



# PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

# ANNEXURE-A Disclosure of Price Information of Past Issues Handled by Merchant Banker

# TABLE 1

S.N o.	Issue Name	Issue Size (Rs. in Cr.)	Issue Price (Rs.)	Listing Date	Operati ng Price on Listing Date	+/-% change in closing price, [+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing	
1.	Drone Destination Limited	44.20	65.00	21 July 2023	102.10	21.99% (1.78%)	22.23% (0.61%)	(50.54%) (8.47%)	
	V 1' C 1 1'			17		(3.72%)	(17.56%)	N.A.	
2.	Yudiz Solutions Limited	44.84	165.00	August 2023	181.40	4.48%	1.81%	N.A.	
	Callagar Cadagta			28		120.81%	120.81%		
3.	Cellecor Gadgets Limited	50.77	92.00	Septembe r 2023	96.00	(2.44%)	(2.44%)	N.A.	
				05		(4.50%)	.50%) (4.50%)		
4.	Inspire Films Limited	21.23	59.00	October 2023	70.2	(1.61%)	(1.61%)	N.A.	
				27		10.70%	10.70% 10.70%		
5.	Womancart Limited	9.56	86.00	October 2023	122.85	3.92%	12.10%	N.A.	
	Supreme Power			29		72.55%			
6.	Equipments Limited	46.67	65.00	Decembe r 2023	102.90	(1.74%)	N.A.	N.A.	
	Akanksha Power and			03		84.56%			
7.	Infrastructure Limited	27.49	55.00	January 2024	65.10	1.56%	N.A.	N.A.	
8.	Addictive Learning Technology Limited	60.16	140.00	30 January 2024	294.50	NA	N.A.	N.A.	

TABLE 2

# **Summary Statement of Disclosure**

Financial Year			at d	o. of IPOs trading at discount-30th dendar days from listing		No. of IPOs trading at premium-30th calendar days from listing		No. of IPOs trading at discount-180th calendar days from listing		No. of IPOs trading at premium-180th calendar days from listing				
			Over 50%	Betweer 25-50%			Betweer 25-50%			Betweer 25-50%			Betweer 25-50%	
2023-24	8	304.92	-	-	-	5	-	2	-	-	-	1	-	-



#### **LISTING**

Application will be made to BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principle approval for using its name in our Offer documents vide its letter no.  $[\bullet]$  dated  $[\bullet]$ .

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, 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 SME Platform of BSE Limited mentioned above are taken within six Working Days from the Offer Closing Date.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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.



#### **CONSENTS**

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with BSE.

#### EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Peer Review Auditors for year ended on 30<sup>th</sup> September 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2021. And the report of CARE Analytics and Advisory Private Limited (CareEdge) on "Report on Digital Media Industry", our Company has not obtained any other expert opinion. All the intermediaries, including Merchant Banker, has relied upon the appropriacy and authenticity of the same.

## PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We have not made any previous rights and/or public issues since incorporation and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR Regulations.

#### PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled "Capital Structure" beginning on page 78 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

# PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus our company has no Listed Subsidiary.



# PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as of the date of this Draft Red Herring Prospectus our Company has no listed corporate promoters and no listed subsidiary company.

# OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Offer is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.



#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working 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.

Our Company has appointed Ms. Sheriya Jain as the Company Secretary and Compliance Officer and may be contacted at the following address:

## **ULLU DIGITAL LIMITED**

901, Kanchanjunga Building18, Barakhamba Road, Janpath, Central Delhi, New Delhi-110001, India.

Tel.: 05224107574; Fax: N.A. E-mail: <a href="mailto:compliance@ullu.app">compliance@ullu.app</a>

Website: www.ullu.ltd

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc*.

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#### SECTION VIII - ISSUE INFORMATION

#### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red-Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified though 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, SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2013, 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+3 days. 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.

The SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2013, has introduced reduction of timeline for listing of shares in public issue from existing T+6 days to T+3 days. This circular shall be applicable on voluntary basis for public issues opening on or after September 1, 2023, and Mandatory for public issues opening on or after December 1, 2023. As on the date of this draft red herring prospectus, the mandatory T+3 timelines are applicable.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### The Offer

The Offer consists of a Fresh Issue by our Company. Expenses for the Offer shall be Borne by our Company in the manner specified in "Objects of the Issue" on page 98 of this Draft Red Herring Prospectus.



## **Ranking of Equity Shares**

The Equity Shares being Offered/Allotted in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on February 07, 2024, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on February 08, 2024.

## **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per the provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on pages 251 of this Draft Red Herring Prospectus.

## **Face Value and Issue Price**

The face value of each Equity Share is Rs. 10/- and the Offer Price at the lower end of the Price Band is Rs. [●] /- per Equity Share and at the higher end of the Price Band is Rs. [●]/- per Equity Share. The Anchor Investor Offer Price is Rs. [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [•] edition of [•] (a widely circulated English national daily newspaper) and [•] edition of [•] widely circulated Hindi national daily newspaper and [•] edition of [•] being the regional language of Delhi, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



## Compliance with the disclosure and accounting norms

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

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/splitting, see "Main Provisions of Articles of Association" on page 387 of this Draft Red Herring Prospectus.

#### Allotment only in Dematerialized form

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated December 11, 2023, among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated December 08, 2023, among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [•] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [•] Equity Shares subject to a minimum allotment of [•] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.



## Minimum Application value, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large. For further details, see "Issue Procedure" on page 346 of this Draft Red Herring Prospectus.

#### **Minimum Number of Allottees**

Further in accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued 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 the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating.



A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 form, 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 Applicants require changing of their nomination, they are requested to inform their respective depository participant.

## Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 78 of this Draft Red Herring Prospectus and except as provided in the 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, please refer "Main Provisions of Articles of Association" on page 387 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company andthe BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. 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.

# **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 SME platform of BSE.

## **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs



registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (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 BRLM through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, 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 issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

## **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer to the chapter titled "General Information" on page 68 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

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.



## Period of Subscription List of the Public Issue

Event	Indicative Date
Offer Opening Date	[•]
Offer Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock	On or before [●]
Exchange	
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA	On or before [●]
Account or UPI ID linked bank account*	
Credit of Equity Shares to Demat Accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

Note: Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

The above time table is indicative and does not constitute any obligation on our Company and the BRLM 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 3 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue 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.

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, for which period shall start from the day following the receipt of a complaint from the Bidder. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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 **SEBI** circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April *20*. 2022 SEBI No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

The SEBI is in the process of streamlining and reducing the post Offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect. The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non- adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.



The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2. 2021 read with **SEBI** circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16. 2021 and *SEBI* circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20. 2022 and **SEBI** Circular No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

### **Migration to Main Board**

In accordance with the BSE Limited Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the BSE SME for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of BSE Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our company may migrate to the main board of BSE Limited at a later date subject to the following:

a. If the Paid-up Capital of our Company is likely to increase above Rs. 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 Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to BSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

b. If the paid-up Capital of our company is more than Rs. 10 Crores but below Rs. 25Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the



proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE Limited (BSE) 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 the SME Platform of BSE Limited (BSE). For further details of the market making arrangement please refer to chapter titled General Information beginning on page 68 of this Draft Red Herring Prospectus.

# Option to receive securities in Dematerialized Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the StockExchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

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#### ISSUE PROCEDURE

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

All Applicants shall review the "General Information Document for Investing in Public Issues" prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars ("General Information Document"), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLM, before opening of the Issue. 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 investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase-I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of six months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for



streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular *SEBI/HO/CFD/DIL2/P/CIR/2021/570* dated June 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to this Prospectus. *Furthermore*, pursuant SEBIcircular form toSEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023, and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

# REDUCTION OF TIMELINE FOR LISTING OF SHARES IN PUBLIC ISSUE FROM EXISTING T+6 DAYS TO T+3 DAYS

The SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, has introduced reduction of timeline for listing of shares in public issue from existing t+6 days to t+3 days. This circular shall be applicable on voluntary basis for public issues opening on or after September 1, 2023, and Mandatory for public issues opening on or after December 1, 2023.

Consequent to extensive consultation with the market participants and considering the public comments received pursuant to consultation paper on the aforesaid subject matter, it has been decided to reduce the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3) days as against the requirement of 6 working days (T+6) days; (T+6) days; (T+6) days as against the requirement of 6 working days (T+6) days.

The T+3 timeline for listing shall be appropriately disclosed in the Offer Documents of public issues.

Notwithstanding anything contained in Schedule VI of the ICDR Regulations, the provisions of this circular shall be applicable:

- On voluntary basis for public issues opening on or after September 1, 2023, and
- Mandatory for public issues opening on or after December 1, 2023.

The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022, shall stand modified to the extent stated in this Circular.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively and the provisions of this circular , as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47



dated March 31, 2021, has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to Rs. 5,00,000/- shall use the UPI Mechanism.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on www.bseindia.com For details on their designated branches for submitting Application Forms, please see the above-mentioned website of BSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 http://www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer to the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <a href="http://www.bseindia.com">http://www.bseindia.com</a>. For details on their designated branches for submitting Application Forms, please refer the above mentioned BSE website.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised 167 to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

### **BOOK BUILT PROCEDURE**

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the offer Price.



Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of the Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. <a href="www.bseindia.com">www.bseindia.com</a>. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### 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, UPI will be 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 Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a. Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum 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 continued to be six Working Days.



- b. 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 Applicant 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 Three Working Days during this phase.
- c. Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023, and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI..

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [•] as the 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 mechanism.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No:



SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

# **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Ris Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

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. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.



The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians, including resident QIBs, Non-Institutional Bidders,	
Retail Individual Bidders and Eligible NRIs applying on a non-	[•]
repatriation basis	
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered	
multilateral and bilateral development financial institutions applying on	[•]
a repatriation basis	1.1
Anchor Investors	[•]

<sup>\*</sup>Excluding electronic Bid cum Application Form

#### Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

## **ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

# SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- a. An SCSB, with whom the bank account to be blocked, is maintained;
- b. A syndicate member (or sub-syndicate member);
- c. A stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website



- of the stock exchange as eligible for this activity) (broker);
- d. A depository participant (DP) (Whose name is mentioned on the website of the stock exchange as eligible for this activity);
- e. A registrar to an issuer and share transfer agent (RTA) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The intermediaries 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:

For Applications submitted by investors to SCSB:

After accepting the form, SCSB shall capture and upload the relevant details in theelectronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of

For Applications submitted by investors to intermediaries other than SCSBs:

the application money specified.

After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). 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.

For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:

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.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- 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 would be considered at par with those from individuals;
- 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;



- Mutual Funds registered with SEBI;
- 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;
- 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing regulations, OCBs cannot participate in this Issue.

# PARTICIPATION BY ASSOCIATES OF BRLM

The BRLM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM 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. All categories of Applicants, including associates and affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, BRLM to the Issue and The Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e https://www.bseindia.com.



#### OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### 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 reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## APPLICATIONS BY ELIGIBLE NRI

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders



bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than Rs. 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 381 of this Draft Red Herring Prospectus.

## APPLICATIONS BY ELIGIBLE FIIs/FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.

An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of



Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

# APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURECAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "SEBI VCF Regulations") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF 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 BRLM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

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 this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

## 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 reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), are broadly set forth below:

- 1. Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer:
- 2. 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 reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3. The industry sector in which the investee company belong to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000.00 million or more but less than



Rs. 2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

#### APPLICATIONS BY BANKING COMPANIES

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 reserves 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, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by SCSBs: SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, 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, our Company reserves the right to reject any application, without assigning any reason thereof.

## **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1. Anchor Investor Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of



200.00 lakhs.

- 3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
- 11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
- 12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified



copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

## a) For Retail Individual Applicants

The Application must be for a minimum of [•] Equity Shares and in multiples of [•] 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 Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.



## b) For Other Applicants (Non-Institutional Applicants 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 [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, 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 Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## INFORMATION FOR THE APPLICANTS:

- a) Our Company will file a copy of Red Herring Prospectus with the Registrar of Companies, Delhi, at least 3 (three) days before the Issue Opening Date.
- b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/or the Application Form can obtain the same from our Registered Office or from the office of the BRLM.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the BRLM or their authorized agent(s) to register their applications.
- d) Applications made in the name of minors and/ or their nominees shall not be accepted.

#### INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Delhi.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (broker) network of Stock



Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE Limited i.e. <a href="https://www.bseindia.com">www.bseindia.com</a>.

#### BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Bid cum application form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code and occupation (hereinafter referred to as Demographic Details'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation Advice. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidders would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### SUBMISSION OF BIDS

- I. During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- II. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- III. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the BSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
- 2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- a) For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - 1. Each successful applicant shall be allotted [•] equity shares; and
  - 2. 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.

- b) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- c) 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 [•] 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 offer specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.
- d) 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:
  - 1. 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.
  - 2. The balance net offer of shares to the public shall be made available for allotment to
    - a) Individual applicants other than retails individual investors and
    - b) Other investors, including Corporate Bodies/Institutions irrespective of number of shares applied for
  - 3. The unsubscribed portion of the net offer 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.

Retail Individual Investor' 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 BSE.

The Executive Director / Managing Director of BSE – the Designated Stock Exchange in addition to BRLM 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.

## INFORMATION FOR BIDDERS

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such an Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to



use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

#### GENERAL INSTRUCTIONS

#### Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs 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;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- RIBs 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 Bid is listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40</a>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the 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;



- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- 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 Bids, the Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders 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 Exchange 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 Bids 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;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;



- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA
- Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid:
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form:
- RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the
  Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request
  received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the
  RIB's ASBA Account;
- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

## Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;
- RIB should not submit a Bid using the UPI Mechanism, 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;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;



- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;
  - The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with

#### **OTHER INSTRUCTIONS**

## Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

## **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for



common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

(iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed bythe Registrar to the Issue to detect multiple applications is given below:

- 1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- 2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Bid submitted without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.



#### RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUNDS FOR REJECTIONS**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, the bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Bids submitted without instruction to the SCSBs to block the entire Bid Amount:
- · Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form
- Bids submitted on a plain paper
- Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI
- ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary
- Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- Bids submitted without the signature of the First Bidder or sole Bidder
- The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
- GIR number furnished instead of PAN;
- Bids by RIBs with Bid Amount of a value of more than Rs. 2,00,000;
- Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals
- Bids accompanied by stock invest, money order, postal order or cash; and
- Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange
- Applications by OCBs;

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different



- combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

#### SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated [●], 2023 this issue is 100% Underwritten.

#### FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

The Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, Delhi and in terms of Section 26 of Companies Act, 2013.

## EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- i. We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the offer on December 08, 2023.
- ii. We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the offer on December 11, 2023.

The Company's Equity shares bear an ISIN INEOS8O01012.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account
  details in the Depository. In case of joint holders, the names should necessarily be in the same sequence
  as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.



#### **TERMS OF PAYMENT**

The entire Issue price of Rs. [•] /- 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 or Sponsor Bank to unblock the excess amount paid on Application to the Bidders.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank 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 FOR APPLICANTS

The Bidders 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 sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid or for unsuccessful Bids, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer 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 offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application application. Supported Blocked Amount for making SEBI through (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, may use UPI.

## PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.



## PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: "[●]"; and
- (b) In case of Non-Resident Anchor Investors: "[•]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors

## PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

## ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. 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 respective depository participants to accept the equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the Issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret 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 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 transfer 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.

## NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

## DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.

The company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME platform of BSE, where the equity shares are proposed to be listed are taken with Three (3) working days of the closure of the issue.

#### MODE OF REFUNDS

a) In case of ASBA Applicants: Within 2 (Two) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency. c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the



Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) NECS Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the applicant as obtained from the Depository.
- (ii) NEFT Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants' through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) Direct Credit Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) RTGS Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Investors' account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Investors may refer to Red Herring Prospectus.

#### INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing



system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

## UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue:
- 3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- 4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within Three Working Days of Issue Closing Date or such time as prescribed;
- 5. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within Two Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.
- 8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;
- 10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and



#### UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- 2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
- 3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

#### WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue, in whole or any part thereof at any time after the Issue Opening Date but before the Allotment, with assigning reason thereof. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared within Two days of Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision and. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- 1. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and
- 2. The final RoC approval of the Prospectus after it is filed with the concerned RoC.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh Draft Red Herring prospectus with stock exchange.

## EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement dated December 08, 2023, between NSDL, the Company and the Registrar to the Issue;
- (b) We have entered into tripartite agreement dated December 11, 2023, between CDSL, the Company and the Registrar to the Issue;



The Company's Equity shares bear an ISIN INEOS8O01012.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated intermediary to the Issue where the Application and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) 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 BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. 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.

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. 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 <a href="http://www.sebi.gov.in/cms/sebi\_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi\_data/attachdocs/1480483399603.html</a>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

#### ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (ASBA Account) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

## Who can apply?

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

## **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA



Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

## **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

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#### RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

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#### **ISSUE STRUCTURE**

This Issue has been made in terms of Regulation 229(2) of Chapter IX of SEBI ICDR Regulations whereby, our post-issue face value capital is more than ten crore rupees and upto twenty-five 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 SME Platform of BSE Limited). For further details regarding the salient features and terms of this Offer, please refer to the chapter titled "Terms of the Issue" and "Issue Procedure" beginning on page 337 and 346 of this Draft Red Herring Prospectus.

#### **Present Issue Structure**

Initial Public Offer of 62,62,800 Equity Shares of Rs. 10/- each ("Equity Shares") of Ullu Digital Limited ("UDL" or the "Company") for cash at a price of Rs. [●]/- per equity share (the "Issue Price"), aggregating to Rs. [●] Lakhs ("The Offer). Out of the Issue, 3,15,600 equity shares aggregating to Rs. [●] Lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e., Issue of 59,47,200 equity shares of face value of Rs. 10.00/- each at an issue price of Rs. [●]/- per equity share aggregating to Rs. [●] Lakhs is hereinafter referred to as the "Net Issue". The Issue and the net Issue will constitute 26.50% and 25.17%, respectively of the Post Issue paid up equity share capital of our company.

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	3,15,600 Equity shares	[●] Equity shares	[●] Equity shares	[●] Equity shares
Percentage of Issue Size available for allocation	5.04% of the issue size	Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15.00% of the Offer shall be available for allocation.	Not less than 35.00% shall be available for allocation.



D ' C	F:	D	D	A 11 - 4 1-
Basis of	Firm	Proportionate as follows	Proportionate	Allotment to each
Allotment	Allotment	(excluding the Anchor		Retail Individual
		Investor Portion: (a) up		Bidder shall not be
		to [●] Equity Shares,		less than the
		shall be available for		minimum Bid lot,
		allocation on a		subject to
		proportionate basis to		availability of
		Mutual Funds only; and;		Equity Shares in
		(b) [●] Equity shares		the Retail Portion
		shall be allotted on a		and the remaining
		proportionate basis to all		available Equity
		QIBs including Mutual		Shares if any, shall
		Funds receiving		be allotted on a
		allocation as per (a)		proportionate
		above [•] Equity Shares		basis. For details
		may be allocated on a		see, "Offer
		discretionary basis to		Procedure" on
		Anchor Investors For		page 346.
		further details please		page 540.
		^		
		refer to the section titled		
		"Offer Procedure"		
		beginning on page 346.		
Mode of		ts shall make the applicatio	· · · · · · · · · · · · · · · · · · ·	· •
Application	Process only (in	cluding UPI mechanism for	Retail Investors usin	g Syndicate ASBA).
Minimum Bid	[●] Equity	Such number of Equity	Such number of	[•] Equity Shares
Size	Shares in	Shares and in multiples	Equity Shares and	in multiple of [•]
Size	multiple of [•]	of [•] Equity Shares that	in multiples of [●]	Equity shares so
	Equity shares	the Bid Amount exceeds	Equity Shares that	that the Bid
	Equity shares	Rs. 200,000.	the Bid Amount	Amount does not
		KS. 200,000.		
				exceed Rs.
) / ·	f-1 T '/		200,000.	2,00,000.
Maximum	[•] Equity	Such number of Equity	Such number of	Such number of
Application Size	Shares	Shares in multiples of	Equity Shares in	Equity Shares in
		[•] Equity Shares not	multiples of [●]	multiples of [●]
		exceeding the size of the	Equity Shares not	Equity Shares so
		Net Issue, subject to	exceeding the size	that the Bid
		applicable limits.	of the issue	Amount does not
			(excluding the	exceed Rs.
			QIB portion),	2,00,000.
			subject to limits as	
			applicable to the	
			Bidder.	
Mode of	Dematerialized Form			
Allotment				
Trading Lot	[●] Equity	[•] Equity Shares and in	[•] Equity Shares	[•] Equity Shares
	Shares,	multiples thereof	and in multiples	and in multiples
	however, the		thereof	thereof
	Market Maker			



	may accept odd lots if any in the market as required under the SEBI ICDR Regulations			
Towns of Dovement	Ü	t aball be blocked by the	CCCDs in the bents o	account of the ACDA
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA			
	Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the			
	ASBA Form at the time of submission of the ASBA Form.			

## Note:

- 1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the ben6eficiary 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.
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

#### Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs. )	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum



lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading. \*50% of the shares offered are reserved for applications below Rs.2.00 lakh and the balance for higher amount

applications.

#### WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper, where the Registered office of the Company is situated.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Delhi.

#### **ISSUE PROGRAMME**

ISSUE OPENING DATE	[•]
ISSUE CLOSING DATE	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants



i.e.QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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#### SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION

(THE COMPANIES ACT, 2013)

## (COMPANY LIMITED BY SHARES)

## ARTICLES OF ASSOCIATION OF

## **ULLU DIGITAL LIMITED**

#### **PRELIMINARY**

Subject as hereinafter provided the Regulations contained in Table 'F' in the FirstSchedule to the Companies Act, 2013 shall apply to the Company except in so far as otherwise expressly incorporated herein below.

## Interpretation

- (1) In these regulations
  - (a) "Company" means Ullu Digital Limited.
  - (b) "Office" means the Registered Office of the Company.
  - (c) "the Act" means the Companies Act, 2013.
  - (d) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.
  - (e) "the seal" means the common seal of the company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

## Share capital and variation of rights

- (1) 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.
- (2) (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,
  - a. one certificate for all his shares without payment of any charges; or
  - b. Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.



- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (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) (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.
  - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
- (4) Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- (5) (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- (6) (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.
  - (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.
- (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 Pari passu therewith.
- (8) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary Page 388 of 404



resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### Lien

- (9) (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (10) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- (11) (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
  - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

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.

- (12)(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### Calls on shares.

(13)(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:



Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- (iv) That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.
- (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)(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 may be called upon by the Board to pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
  - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (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) The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## Transfer of shares

(19)(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.



- (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.
- (20) The Board may, subject to the right of appeal conferred by section 58 decline to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
- (21) The Board may decline to recognize any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub- section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
- (22)(i) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
  - Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
  - (ii) That registration of transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.

## Transmission of shares

- (23)(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
  - (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- (24)(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
  - (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or



insolvency.

- (25)(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
  - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- (26)(i) 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:
  - (ii) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

## Forfeiture of shares

- (27) 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.
- (28) The notice aforesaid shall—
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- (29) 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.
- (30)(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.



- (31)(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- (32)(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share:
  - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and

- (iii) 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.
- (33) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### Alteration of capital

- (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) Subject to the provisions of section 61, the company may, by ordinary resolution,
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (c) 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.
- (36) Where shares are converted into stock,
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable,



so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
- (37) The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,
  - (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

# Capitalization of profits

- (38)(i) The company in general meeting may, upon the recommendation of the Board, resolve—
  - (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
    - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - (*B*) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
    - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
    - (E) The Board shall give effect to the resolution passed by the company in pursuance of this



regulation.

- (39)(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally, do all acts and things required to give effect thereto.
  - (ii) The Board shall have power—
    - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
    - (b) to authorize 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 capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - (iii) Any agreement made under such authority shall be effective and binding on such members.

### Buy-back of shares

(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.

### General meetings

- (41) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- (42)(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

# Proceedings at general meetings

- (43)(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- (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.

## Adjournment of meeting

- (47)(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

# Voting rights

- (48) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid- up equity share capital of the company.
- (49) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- (50)(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- (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)(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

- (55) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- (56) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- (57) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
  - Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **Board of Directors**

- (58) The number of the directors shall not be less than two or more than fifteen. The following shall be the First Directors of the Company:
  - 1. Mr. Vibhu Agarwal
  - 2. Ms. Megha Agarwal
- (59)(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
    - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
    - (b) in connection with the business of the company.
- (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)(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
  - (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### Proceedings of the Board

- (65)(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (66)(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- (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)(i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
  - (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- (69)(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.



- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (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.
- (74) 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.
- (75) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

### Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

- (76) 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.
- (77) A provision of the Act or these regulations requiring or authorizing 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.

#### The Seal

- (78)(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 authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### Dividends and Reserve

- (79) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (80) 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.
- (81)(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, thinks 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.
- (82)(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
  - (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (83) 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.
- (84)(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint



- holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (85) 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.
- (86)(i) 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.
  - (ii) That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
- (87) No dividend shall bear interest against the company.

#### Accounts

- (88)(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
  - (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

### Winding up

- (89) Subject to the provisions of Chapter XX of the Act and rules made thereunder—
  - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

# **Indemnity**

(90) 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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

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### **SECTION X- OTHER INFORMATION**

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the RoC for filing and the documents for inspection referred to hereunder, may be inspected at the Registered office: 901, Kanchanjunga Building 18, Barakhamba Road, Janpath, Central Delhi, Delhi-110001, India from the date of filing this Draft Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

### **MATERIAL CONTRACTS**

- 1. Issue Agreement/ Memorandum of Understanding dated February 08, 2024, between our company and the Book Running Lead Manager.
- 2. Agreement dated February 08, 2024, between our company and the Registrar to the Issue.
- 3. Public Issue Agreement dated [•], among our Company, the Book Running Lead Manager, The Banker to the Issue/PublicIssue Bank/Sponsor Bank, and the Registrar to the Issue.
- 4. Underwriting Agreement dated [●], between our company and the Underwriters.
- 5. Market making Agreement dated [●], between our company, the Book Running Lead Manager and the Market Maker.
- 6. Agreement between NSDL, our company and the registrar to the issue dated December 08, 2023.
- 7. Agreement between CDSL, our company and the registrar to the issue dated December 11, 2023.

# MATERIAL DOCUMENTS FOR THE ISSUE

- 1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
- 2. Resolutions of the Board of Directors dated February 07, 2024, in relation to the Issue and other related matters.
- 3. Shareholders' resolution dated February 08, 2024, in relation to the Issue and other related matters.
- 4. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
- 5. Peer Review Auditors Report dated January 23, 2024, on Restated Financial Statements of our Company for the period ended September 30, 2023, and for years ended March 31, 2023, 2022 and 2021.
- 6. The Report dated February 07, 2024, from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
- 7. The Report dated February 10, 2024, by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
- 8. The Report dated December 2023, by CARE Analytics and Advisory Private Limited (CareEdge) on "Report on Digital Media Industry".
- 9. Copy of approval from BSE SME vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
- 10. Due diligence certificate submitted to SEBI dated February 10, 2024, from Book Running Lead Manager to



the Issue.

11. Key Performance Indicator Certificate provided by M/s Jain V. & Co. Chartered Accountant dated February 08, 2024.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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### **SECTION XI - DECLARATION**

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company				
S.N.	Name	Category	Designation	Signature
1.	Vibhu Agarwal	Executive	Managing Director	Sd/-
2.	Megha Agarwal	Executive	Whole Time Director	Sd/-
3.	Shobhit Singh Chauhan	Executive	Whole Time Director	Sd/-
4.	Vivek Sangal	Non- Executive	Director	Sd/-
5.	Sunil Agarwal	Non- Executive	Independent Director	Sd/-
6.	Bhavika Yash Ghuntla	Non- Executive	Independent Director	Sd/-
Signed by the Company Secretary of our Company				
7.	Sheriya Jain	Full-time	Company Secretary & Compliance Officer	Sd/-

Place: Delhi

Date: February 11, 2024