



## NET PIX SHORTS DIGITAL MEDIA LIMITED

Our Company was incorporated as “Net Pix Shorts Digital Media Limited” on June 20, 2019 under the Companies Act, 2013 with the Registrar of Companies, Mumbai bearing Registration No. 327005. The Company’s Corporate Identity Number is U22300MH2019PLC327005. For further details, please refer the chapter “History and Certain Corporate Matters” on page no. 100 of this Draft Prospectus.

**Registered Office:** 1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai - 400 061  
**Tel No.:** +91 8828231678; **Email:** info@netpixshorts.com; **Website:** www.netpixshorts.com  
**Contact Person:** Mr. Manish Heda, Company Secretary and Compliance Officer  
**Our Promoter:** Mr. Danish Zakaria Aghadi

### THE ISSUE

**PUBLIC ISSUE OF UPTO 9,00,000 EQUITY SHARES OF ₹10 EACH (“EQUITY SHARES”) OF NET PIX SHORTS DIGITAL MEDIA LIMITED (“NPSDML” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH UPTO 52,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 8,48,000 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.13% AND 26.50%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

### THE FACE VALUE OF THE EQUITY SHARE IS ₹10 AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 173 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 60 of this Draft 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 RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 18 of this Draft Prospectus.

### COMPANY’S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares issued through this Draft Prospectus are proposed to be listed on BSE Start-up segment under SME Platform of BSE Limited. Our Company has received an In-Principle Approval letter dated [●] from BSE Limited for using its name in this Offer Document for listing our shares on the BSE Start-up segment under SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001  
**Tel No.:** +91 - 22 - 6216 6999  
**Email:** ipo@afsl.co.in  
**Website:** www.afsl.co.in  
**Investor Grievance Email:** feedback@afsl.co.in  
**Contact Person:** Mr. Vimal Maniyar / Ms. Kruti Bhatt  
**SEBI Registration No.** INM000011344



**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building No. 1,  
Club House Road,  
Chennai – 600 002  
**Tel No.:** +91 - 44 - 2846 0390/ 1989  
**Email:** cameo@cameoindia.com  
**Website:** www.cameoindia.com  
**Contact Person:** Mr. R. D. Ramasamy  
**SEBI Registration No.:** INR 000003753

### ISSUE OPENS ON

### ISSUE CLOSES ON

[●]

[●]

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b> .....	<b>1</b>
DEFINITIONS AND ABBREVIATIONS.....	1
CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL .....	11
FORWARD-LOOKING STATEMENTS .....	13
<b>SECTION II – SUMMARY OF OFFER DOCUMENT</b> .....	<b>15</b>
<b>SECTION III – RISK FACTORS</b> .....	<b>18</b>
<b>SECTION IV – INTRODUCTION</b> .....	<b>36</b>
THE ISSUE .....	36
SUMMARY OF FINANCIAL INFORMATION.....	37
GENERAL INFORMATION .....	40
CAPITAL STRUCTURE .....	49
<b>SECTION V – PARTICULARS OF THE ISSUE</b> .....	<b>56</b>
OBJECTS OF THE ISSUE.....	56
BASIS OF ISSUE PRICE.....	60
STATEMENT OF TAX BENEFITS.....	62
<b>SECTION VI – ABOUT OUR COMPANY</b> .....	<b>65</b>
INDUSTRY OVERVIEW.....	65
OUR BUSINESS .....	79
KEY REGULATIONS AND POLICIES .....	93
HISTORY AND CERTAIN CORPORATE MATTERS .....	100
OUR MANAGEMENT .....	103
OUR PROMOTER AND PROMOTER GROUP .....	114
DIVIDEND POLICY .....	118
<b>SECTION VII – FINANCIAL INFORMATION</b> .....	<b>119</b>
FINANCIAL STATEMENTS .....	119
OTHER FINANCIAL INFORMATION.....	139
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....	140
CAPITALISATION STATEMENT.....	147
<b>SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION</b> .....	<b>148</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS.....	148
GOVERNMENT AND OTHER KEY APPROVALS .....	154
<b>SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	<b>157</b>
<b>SECTION X – ISSUE INFORMATION</b> .....	<b>165</b>
TERMS OF THE ISSUE.....	165
ISSUE STRUCTURE.....	170
ISSUE PROCEDURE .....	173
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	191
<b>SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>192</b>
<b>SECTION XII – OTHER INFORMATION</b> .....	<b>206</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	206
DECLARATION .....	207



## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
“The Company”, “Our Company” or “The Issuer”	Net Pix Shorts Digital Media Limited, a company incorporated under the Companies Act, 2013 with an intention to corporatize the business of M/s. First Step Entertainment Capital, a proprietary concern of our Promoter, Mr. Danish Zakaria Aghadi, and having its Registered Office at 1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### Company related Terms

Term	Description
AoA/ Articles / Articles of Association	The articles of association of our Company, as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company, being M/s. B. L. Dasharda & Associates, Chartered Accountants having their office at 301, Vastubh Apts, Near Hanuman Temple, Datta Pada Cross road No. 1, Borivali East, Mumbai - 400 066.
Audit Committee	The audit committee of our Company, constituted on dated August 27, 2020 in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page no. 103 of this Draft Prospectus.
Board of Directors / Board	The Board of Directors of Net Pix Shorts Digital Media Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief Financial Officer of our Company is Mr. Irfan Memon.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Mr. Manish Heda.
Director(s)	Director(s) of Net Pix Shorts Digital Media Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company.
Erstwhile Proprietorship	The proprietorship business of our Promoter i.e., Mr. Danish Zakaria Aghadi in the name and style of M/s. First Step Entertainment Capital whose business was acquired by our Company on the date of our incorporation.
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter) 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.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” on page no. 103 of this Draft Prospectus.
Materiality Policy	The policy adopted by our Board on August 27, 2020 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
MOA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted on dated August 27, 2020 in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our</i>



Term	Description
	<i>Management</i> ” on page no. 103 of this Draft Prospectus.
Promoter(s) / Core Promoter	The Promoter of our Company is Mr. Danish Zakaria Aghadi.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled <i>“Our Promoter and Promoter Group”</i> on page no. 114 of this Draft Prospectus.
Registered Office	The Registered Office of our Company situated at 1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061.
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002.
Restated Financial Statements	Restated Financial Statements of our Company as at and for Fiscal ended March 31, 2020 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations.) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto.
Stakeholders’ Relationship Committee	The stakeholder’s relationship committee of our Company, constituted on dated August 27, 2020 in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in <i>“Our Management”</i> on page no. 103 on this Draft Prospectus.
Wilful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

#### Issue Related Term

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants.
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Application Amount of the Applicant.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled <i>“General Information”</i> on page no 40 of this Draft Prospectus.
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●].
Banker(s) to the Issue Agreement	Agreement dated [●], entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application



Term	Description
	Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no 173 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange.
BSE Start-up segment under SME Platform of BSE Limited	BSE Start-up segment under SME Platform of BSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manage, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean 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.





Term	Description
Designated Market Maker	Aryaman Capital Markets Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated 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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Exchange	BSE Limited
Draft Prospectus	This Draft Prospectus dated September 09, 2020 issued in accordance with the SEBI ICDR Regulations.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Account(s)	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar, the Banker to the Issue and Sponsor bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
Issue	The Initial Public Issue of up to 9,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including securities premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs.
Issue Agreement	The agreement dated August 28, 2020, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.



Term	Description
Issue Price	The price at which the Equity Shares are being issued by our Company and in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page no. 56 of this Draft Prospectus.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker Reservation Portion	The Reserved portion of up to 52,000 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated August 28, 2020.
Minimum Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter which shall be provided towards minimum promoters’ of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Net Issue of up to 8,48,000 Equity Shares of ₹ 10 each at price of ₹ [●] per Equity Shares aggregating to ₹ [●] lakhs
Net Proceeds	The Gross Proceeds less our Company’s share of the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page no. 56 of this Draft Prospectus.
Non - Institutional Applicant	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue under section 40(3) of the Companies Act, 2013 for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made.



Term	Description
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated August 28, 2020 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being Cameo Corporate Services Limited.
Retail Individual Investors / RII(s)	Individual investors or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000 in this Issue.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, i. in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and ii. in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time .
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated August 28, 2020.
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India.
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard





Term	Description
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### Technical / Industry related Terms

Term	Description
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
CAGR	Compound Annual Growth Rate
DMAs	Digital Media Adapters
DTH	Direct To Home
FDI	Foreign Direct Investment
FY	Fiscal Year
GB	Gigabyte
GDP	Gross Domestic Product
GFC	Global Financial Crisis
IMF	International Monetary Fund
IMPPA	India Motion Pictures Producer's Association
LGBT	Lesbian, Gay, Bisexual, and Transgender
M&E	Media and Entertainment
NASSCOM	The National Association of Software and Service Companies
OOH	Out-Of-Home
OPEC	Organization of the Petroleum Exporting Countries
OTT	Over-The-Top
PCs	Personal Computers
Q1/ 2/ 3/ 4	Quarter 1/ 2/ 3/ 4
RBI	Reserve Bank of India
SIT	Shitty Ideas Trending
SME	Small and Medium Enterprises
SWA	Screen Writer's Association
TB	Terabyte
VFX	Visual Effect
TRAI	The Telecom Regulatory Authority of India
TVs	Televisions
TVF	The Viral Fever
UGC	User Generated Content

#### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting



Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM/ EoGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
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
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations



Term	Description
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Networth Individuals
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISIN	International Securities Identification Number. In this case being INE0D5F01013.
ISO	International Organization for Standardization
IST	Indian Standard Time
KM / Km / km	Kilo Meter
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time



<b>Term</b>	<b>Description</b>
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SGST	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations



## CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

### Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial information in this Draft Prospectus is derived from our Restated Financial Statements. Certain additional financial information pertaining to our Group Company is derived from its financial statements. The Restated Financial Statements included in this Draft Prospectus is as at and for the fiscal ended March 31, 2020 and has been prepared in accordance with Indian GAAP and the Companies Act, and has been restated in accordance with the SEBI (ICDR) Regulations. For further information, see please refer “*Financial Information*” beginning on page no. 119 of this Draft Prospectus.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page nos. 18 , 79 and 140 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### Currency and Units of Presentation

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

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

### Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of the Articles of Association*” beginning on page no. 192 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources





---

believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Inability to identify or effectively respond to customer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Our inability to maintain or enhance our brand recognition;



- 
- Inability to adequately protect our trademarks;
  - The performance and increase in competition of Digital Media Industry in India and globally;
  - The occurrence of natural disasters or calamities; and
  - Failure to successfully upgrade our service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 18, 79 and 140 of this Draft Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.



## SECTION II – SUMMARY OF OFFER DOCUMENT

### A. Our Company

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on digital online portals and OTT platforms. We have 10 titles and 4 music videos on our YouTube channels - “Net Pix Shorts” and “Net Pix Raw Music”, respectively, which have received 3,14,83,055 aggregate views as on September 05, 2020. Currently, we have 2,46,000 subscribers to our channel. Some of our videos are also uploaded on other digital online portals like Hungama Play, Sony Liv, Mx Player, Shorts TV and Hotstar, either directly or through our media partners.

### Industry Overview

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. Proving its resilience to the world, Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenue. The industry has largely been driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

Media is consumed by audience across demographics and various avenues such as television, films, OOH, music, gaming, digital advertising, print etc.

### B. Our Promoter

Our Company is promoted by Mr. Danish Zakaria Aghadi

### C. Size of the Issue

Issue	Up to 9,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
<i>Which Comprises:</i>	
Market Maker Reservation	Up to 52,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
Net Issue	Up to 8,48,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs

### D. Object of the Issue

The Net Proceeds of the Issue are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (in ₹ lakhs)
Acquisition of workshop & Godown and Writer’s Lounge on a long term lease basis	100.00
Further Augment our Digital Media Content Library	80.00
General Corporate Purposes <sup>(1)</sup>	[●]
	[●]

<sup>(1)</sup> The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Issue.

### E. Pre - Issue Shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Category of Promoter	Pre - Issue	
	No. of Shares	As a % of paid-up Equity Capital
1. Promoter	23,00,000	100.00%
2. Promoter Group	-	-



## F. Summary of Financial Information

(₹ in lakhs)

Particulars	As at and For the year ended March 31, 2020
Share Capital	160.01
Net Worth <sup>(1)</sup>	158.06
Total Revenue	18.37
Profit after Tax	2.28
Earnings Per Share	
- Basic	0.14
- Diluted	0.14
Net Asset Value Per Share (₹)	9.88
Total Borrowings	225.10

<sup>(1)</sup> Net worth does not include Preference Share Capital and Share Application Money, if any

## G. Qualification of the Auditors

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

## H. Summary of Outstanding Litigation are as follows

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹ lakhs)
<b>1.</b>	<b>Litigations against Promoter / Director</b>		
(a)	Other pending litigations	1	Not Quantifiable

For the details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 148 of this Draft Prospectus.

## I. Risk Factors

Investors should read chapter titled “*Risk Factors*” beginning on page no. 18 of this Draft Prospectus.

## J. Summary of Contingent Liabilities

The following is a summary table of our contingent liabilities as of January 15, 2020:

(₹ in lakhs)

Particulars	As at March 31, 2020
Nil	-
<b>Total</b>	-

For further information, please see “*Financial Information*” beginning on page no. 119 of this Draft Prospectus.

## K. Summary of Related Party Transactions

The details of related party transaction as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020
Salary & Remuneration	1.83
Professional Fees	0.40
Production Services	112.19
Loan Taken	283.10
Loan Repaid	58.00

For details of the Related Party Transactions as reported in the Restated Financials, please refer “*Financial Statements – Annexure XXVI – Related Party Transactions*” on page no. 136 of this Draft Prospectus.





#### **L. Financing Arrangements**

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

#### **M. Weighted Average Price of the Equity Shares acquired by our Promoter in the last one year preceding the date of this Draft Prospectus**

The weighted average price of Equity Shares acquired by our Promoter in the last one year preceding the date of this Draft Prospectus is as below:

<b>Name of the Promoter</b>	<b>Weighted Average Price (₹)</b>
Mr. Danish Zakaria Aghadi	30.00

#### **N. Average Cost of Acquisition**

The average cost of acquisition per Equity Share to our Promoter as at the date of this Draft Prospectus is:

<b>Name of the Promoter</b>	<b>Average cost (₹)</b>
Mr. Danish Zakaria Aghadi	16.09

#### **O. Pre-IPO Placement details**

Our Company has not proposed any Pre-IPO Placement in this Issue.

#### **P. Issue of Equity Shares for consideration other than cash in the last one year**

Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus

#### **Q. Split / Consolidation of Equity Shares in the last one year**

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



## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Draft Prospectus, including the chapters titled “Our Business”, Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Financial Information” on page nos. 79, 140, 65 and 119 respectively of this Draft Prospectus, together with all other financial information contained in this Draft Prospectus. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the years ended March 31, 2019 as included in “Financial Information” on page no. 119 of this Draft Prospectus.*

### **Materiality**

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

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

### **INTERNAL RISK FACTORS**

- 1. The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.***

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Whilst the lockdown required private, commercial and industrial establishments to remain closed, establishments for essential services and products were permitted to be functional. Since we are engaged in online digital publishing creation of short films and entertainment content, our services were not categorized under the ‘essential goods’ and hence our facilities were shut down during this



pandemic. During the initial stages of the lockdown our business operations were disrupted. Since then, we have resumed operations in a phased manner as per the Government of India and state government's directives. We have resumed our activities after making arrangements to meet the government's requirements on sanitization, people movement and social distancing. However, due to limited availability of professionals, labour, equipment suppliers, logistics and supply chain constraints, our activities are operating at sub-optimal capabilities. Our services including content creation, licensing, etc. and the day-to-day running of our offices were also adversely affected amidst the lockdown and public transport restrictions. Due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if further lockdowns would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, financial condition and results of operations.

Further, our ability to ensure the safety of our employees and continuity of operations while conforming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID19, it may potentially affect our operations. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down our office and workshop, as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our workshop, office, Writer's Lounge, loss of life, injuries and impact the well-being of our employees.

The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. To the extent that the COVID- 19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

**2. *Our revenues and profitability are directly linked to monetization of our Content. Any failure to monetize content could adversely affect our profitability and business growth.***

Monetization of content means deploying content on distribution platforms so as to enable them to generate view based, advertising & other related revenue from our content. The revenue is then shared by distribution platforms with us. Our profitability is significantly linked with the monetization of the content. The actual monetization of the content acquired by us may vary from estimates for factors which may be beyond our control. In certain contents, we may not be able to monetize adequately to recover the costs associated with such contents.

Further, being a digital media publishing company we derive revenues from various types of digital content including but not limited to music, videos, short films, web series, etc. There is no specific process to compute which video or specific digital media item generated how much revenue, as some of the times these contents are even sold / hosted as a bundle or that they may be used with interlink ages. Hence we may not be able to specifically project the expected revenues from a specific media content, which we may propose to create or acquire from the Net Issue Proceeds.

Further, we cannot give any assurance that all future contents would generate sufficient revenues to recover their cost involved. The content platforms may change their policies on revenue sharing or we may face increase in cost in the form of additional deployment charges or other charges as per future market conditions.

The aforementioned risks could adversely impact our profitability which could have a material adverse effect on our business, results of operations and financial condition.

**3. *We depend on our relationships with platform owners for monetization of our Content Library. Any failure to maintain and grow these relationships could adversely affect our ability to distribute & monetize content, which would in turn affect our growth and profitability.***

Our distribution platforms include various digital online portals and OTT platforms and they play a significant role in digital media. Our Company has entered into an agreement with various industry players to provide the platform and the said relationship is established through our existing network formed by experienced team. We have currently entered into an agreement with like Google (YouTube), Hungama, Hotstar, MX Player, Amazon Prime Music, Jio Saavn and Gaana to name a few for short films and music (including music videos). Any failure to



maintain these relationships with the aforementioned platform owners or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business prospects, financial condition and results of operations.

**4. *Any failure to source content could adversely affect our profitability and business growth. Further, intensified competition may result in high cost of acquisition for content.***

The contents that are being published over digital online portals and OTT platforms are either created by us i.e. by our in-house production or the same may be acquired through outright purchase or through syndicated method. In case of content which is bought by us, we own the copy rights of the content through an agreement with assignor and hence the publishing revenue is fully accrued to us. In case of syndication, we generally enter into an agreement with the content partner which is subject to an expiry period for publishing it under our banner.

Our ability to successfully acquire content, if any, depends on maintaining existing relationships and/ or forming new ones. If, we are unable to form new relationships or renew these arrangements in a timely manner or at all, or our access to content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, it could have a material adverse effect on our business prospects, financial condition and results of operations.

Further, our company faces competition from both organized as well as unorganized players. Intensified competition from these players may affect our ability to acquire the content, as it results into cost escalation from content providers. In recent years, demand for the limited content pool has increased, which has in turn contributed to an increase in costs for content acquisition. There can be no assurance that the costs of content acquisition will not continue to increase in the future, making it more difficult for us to access content cost-effectively. This could reduce our ability to sustain profit margins, which could have a material adverse effect on our business prospects, financial condition and results of operations.

**5. *Our ability to remain competitive may be adversely affected by emerging technologies with respect to distribution platform and our ability to adapt to such changes.***

The digital media and entertainment industry continues to undergo significant technological developments. Modernisation and technology up gradation is essential to reduce costs. As part of our strategy, we are in the process of developing our own web based application and if it does not match the current technological prowess and user friendly interface, we may not be able to garner the required subscriptions. Further, our technology and key infrastructure may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipments and infrastructures in line with the latest technological standards, we may be required to implement new technology or upgrade the equipments employed by us. Further, the costs in creating and upgrading our technology and modernizing the equipments are significant which could substantially affect our finances and operations. If we fail to exploit emerging technologies, it could have a material adverse effect on our business prospects, financial condition and results of operations.

**6. *We cannot forecast our content will be successful. Also, change in consumer tastes further compromise our ability to predict the kind of content that would appeal to the audiences. Further we have limited experience in publishing digital content, which could adversely affect the quality and consequently the profitability of the contents we showcase.***

The demand for any content including short films, web series, & music videos depends substantially on consumer tastes & preferences that change frequently and in unpredictable ways. With the growing trend of online availability of content, today's consumers have a wide variety of genres available at a single click and thus their tastes vary rapidly. It is extremely difficult to ascertain a particular genre to be successful and that any short film or web series based on a particular concept will be appeal to the audiences or not. The economic success of our any content depends on many factors including but not limited to, the consumer tastes, the cast, the marketing of the content and other tangible and intangible factors, all of which cannot be accurately predicted. As on the date of this Draft Prospectus, our Company and our Promoter have published 10 short films and 4 music videos on our YouTube channel – Net Pix Shorts & Net Pix Raw Music, respectively, and other online and OTT platforms, each of them having varying viewership and success. We believe we are still at a growing stage and have limited experience in publishing short films and web series as compared to certain of our competitors, which could adversely affect the quality and consequently the profitability of the contents we publish online. Our limited



experience may also make it more difficult to attract and retain creative talent. This could result in losses, which could have a material adverse effect on our business prospects and financial condition.

**7. *Currently our revenue is dependent on a few customers and the loss of, or a significant reduction in revenue from such customers could adversely affect our financial performance.***

Since we are recently started our operation, we derive our entire operational revenue from a few customers. These customers are domestic and international media online platforms. If we unable to add additional online media partners to our portfolio, it will affect our financials adversely. Any perceived decline in our quality standards, growing competition and any change in demand may adversely affect our ability to retain the existing or acquire new customers and consequently affect our financials. The viewership of our content depends significantly on the success of these third party online portals and OTT platforms. We cannot assure that we shall generate the same quantum of business, or any business at all from our existing customers, and any loss of business from it may adversely affect our revenues and results of operations. While we are constantly striving to increase our customer base and reduce dependence on any particular customer and also launch an OTT platform of our own, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in viewership of our content or the popularity and acceptance of our customer's platforms.

**8. *We cannot be certain that our Content Library does not infringe upon the intellectual property rights of third parties.***


Although there are currently no pending or threatened intellectual property claims against us, infringement claims may be asserted against us in the future. There has been a substantial amount of litigations in the digital media industry regarding intellectual property rights. It is possible that in the future, third parties may claim that our group's contents infringe their intellectual property. We expect that content developers will increasingly be subject to infringement claims as the number of competitors in our industry segment grows and the functionality of products in different industry segments overlap. In addition, our group may find it necessary to initiate claims or litigation against third parties for infringement of our group's proprietary rights. Although we may disclaim certain intellectual property representations to our viewers, these disclaimers may not be sufficient to fully protect us against such claims.

We are required to provide specific indemnity relating to third party intellectual property rights infringement. In some instances, the amount of these indemnities may be greater than the revenues we receive. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial damage award and be forced to develop non-infringing content or cease deploying the content that contain the infringing. Any claims or litigation in this area, irrespective of the outcome, could be time-consuming and costly and/or injure our reputation.

**9. *The IPO Proceeds will be used to pay an interest free refundable security deposit to the owners of the workshop & godown and the Writer's Lounge.***

Our Company operates out of a small dedicated workshop & godown situated at Lower Basement, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri (West), Mumbai – 400061 as well as operates a Writer's Lounge situated at Unit No. 3 & 4, Ground Floor, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri (West), Mumbai – 400061, both owned by Fancy Builders Private Limited. We believe that a workshop & godown facility will enable us to carry out production activities, including rehearsals and auditions, etc. Also, we intend to have a dedicated place for our basic production equipments and props. Similarly, the Writer's Lounge is a place where we invite young and talented writers to pen down their ideas in a conducive environment and give them a platform to showcase their ideas, The Writer's Lounge allows us to tap good stories and ideas under our own roof and we adopt the ones that are good and appealing. As part of our endeavour to reduce operating expenses, we intend to pay an interest free refundable security deposit to the owner of the above properties i.e. ₹ 25.00 lakhs for the workshop & godown and ₹ 75.00 lakhs for the Writer's Lounge in order to compensate for the zero rent.

**10. *Any failure to protect or enforce our rights to own or use trademarks and brand names and identities could have an adverse effect on our business and competitive position.***

As on the date of this Draft Prospectus, our Company has one (1) registered trademark “” (Device) under class 41 registered with the registrar of trademarks and one trademark application for “Net Pix Raw Music” (Word) has been made under class 41. For further details please refer the chapter titled “Government and Other Approvals”





beginning on page no. 154 of this Draft Prospectus. Any failure to renew registration of our registered trademarks may affect our right to use them in future. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered trademarks. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks. Also, any failure to obtain our applied registration may impede our future operations.

Further, if we do not maintain our brand name and identity, which we believe is a principal factor that differentiates us from our competitors we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand is subject to risks, including general litigation risks. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos, in the event that we are unable to renew the relevant trademarks upon expiry. Furthermore, we cannot assure you that our brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

**11. Mr. Irfan Ashraf Furniturewala and Mrs. Nuzhat Irfan Furniturewala, the biological parents of our Promoter, Mr. Danish Zakaria Aghadi, do not form a part of Promoter Group.**

Irfan Ashraf Furniturewala and Nuzhat Irfan Furniturewala are the biological parents of our Promoter, Mr Danish Zakaria Aghadi. Vide adoption deed dated October 25, 2000, our Promoter, Mr. Danish Zakaria Aghadi, at the age of 9, was adopted by Late Mrs. Harjabai Aghadi, widow of Zakarai Haji Latif Aghadi. By virtue of the aforesaid adoption, Late Mrs Hajrabai Aghadi is the sole parent of Mr. Danish Zakaria Aghadi.

As per Regulation 2(pp)(ii) of the SEBI (ICDR) Regulations, 2018, an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse) forms a part of the promoter group. Mrs. Hajrabai Aghadi being the sole parent of our Promoter as mentioned above, his biological parents namely Mr. Irfan Ashraf Furniturewala and Mrs. Nuzhat Irfan Furniturewala are not being considered as parents for the purposes of the definition of promoter group as prescribed under Regulation 2(pp)(ii) of the SEBI (ICDR) Regulations, 2018. Accordingly, their names are not included in the promoter group disclosed in this Draft Prospectus. For further details pertaining our Promoter Group, please refer the chapter “Promoter and Promoter Group” on page no. 114 of this Draft Prospectus.

Further, while the legal documents of our promoter namely his PAN Card, Aadhar Card and driving license reflect his name as Danish Zakaria Aghadi, certain litigation documents concerning him record his name as Danish Furniturewala.

We cannot guarantee that our Promoter and / or our Company will not be affected by any past or current violations / liabilities of the biological parents of our Promoter, i.e. Mr. Irfan Ashraf Furniturewala & Mrs. Nuzhat Irfan Furniturewala and / or of entities connected to them. Further, we cannot assure that the aforementioned adoption of our Promoter Mr. Danish Zakaria Aghadi, by the said Late Mrs. Hajrabai Aghadi, may not be challenged. Though no such opposition has arisen since the date of adoption, i.e. almost since last 20 years, any claims arising on account of the biological parents and / or challenge of adoption, could have a material adverse effect on our Promoter and on the operations, profitability and business prospects of the Company.

**12. We may be unable to create / acquire new content and our existing content may not always be successful to generate sufficient revenues, which may stunt our business growth.**

Our current strategy for creating or acquiring new content depends on various factors such as our ability to identify good story and concepts, gathering a cost effective talent in various fields of film-making or integrate acquired operations into our existing business. If we are unable to create or acquire new content which appeals to our target audience or revenue expectations from a particular content or if we wrongly evaluate the general acceptability of our content by the audience at large, we may not be able to complete and release our contents in a satisfactory manner or at all which may result in uncertainties in our business. As a part of our business, we endeavour to create / acquire new content on an ongoing basis.

The most important aspect of creating any content is the story or the idea. Our Company strives to highlight various social issues, society stigmas and current issues through our short films and we believe that these ideas will



be the criteria for our future contents, which may include short films, web series and / or music videos. If we are unable to garner new and fresh ideas for our future content, then we not be able to create them thus affecting our future operations. Also, we may have to stray towards different genres of short films / web series / any other content, which may cause our current followers, subscribers and viewers to shift their focus on our competitors. We cannot guarantee that our contents will be satisfactorily completed and any failure to do so will adversely affect our business operations, financial condition and reputation.

**13. Our Company has a limited operating history that may not provide an adequate basis on which to judge its future prospects and results of operations.**

Our Company was incorporated on June 20, 2019 with an intention to corporatize the business of M/s. First Step Entertainment Capital, a proprietary concern of our Promoter, Mr. Danish Zakaria Aghadi, and we have commenced our commercial operations recently. As our operating history is limited, it may not provide a meaningful basis to evaluate our business, financial performance and prospects. Accordingly, our results of operations for any prior periods do not serve as an indication of our future performance. Our business and prospects should be considered in light of the risks, uncertainties, expenses and challenges that we will face as an early-stage start-up company operating in our industry and as a Company in our early stages of development. Going forward, we may not be successful in addressing the risks and uncertainties we will confront, which may materially and adversely affect our company's results of operations, financial condition and business prospects.

**14. Our Director/Promoter is a party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Director/Promoter is a party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Director/Promoter as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on August 27, 2020.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹)
<b>I.</b>	<b>Litigations filed by our Promoter/Director</b>		
(a)	Other pending litigations	1	Not Quantifiable

There can be no assurance that these litigations will be decided in favour of our Director/Promoter, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Directors and Promoter please refer the chapter titled "Outstanding Litigations and Material Developments" on page no. 148 of this Draft Prospectus.

**15. Our Company is dependent on third parties and certain related parties for carrying out the line production activities to create new content and is exposed to risks relating to fluctuations in availability, cost and skills of such third parties. Further, we do not have any long term agreements with any of the professionals, technicians, actors, etc.**

We offer a platform for enabling digital online entertainment by creating and / or procuring short content under our banner in order to make our platform a preferred choice for short content audiences. The creation of content includes various inputs and technical departments, which include Direction, Action, Costume & Make-up, Lighting, Location, and many other activities and technicians. One of primary capability lies in getting these various talents under a single roof in a cost effective manner. Being a StartUp we depend largely on our ability to assimilate these talents in a timely manner and also according to the requirement of the content. For e.g. each content may require actors with particular skills, look, and ability. Also, the Direction team, locations, music, etc. differ from content to content.

Our Company being a digital online content provider, we depend on third parties and certain related parties to carry on the line production activities, who in turn co-ordinate with the various departments involved in production. For details, please see "Annexure XXVI – Related Party Transactions" on page no. 136 of this Draft



Prospectus. If we are unable to bring these departments together, we may not be able to create our content. Also, if we hire someone who is not able to perform in his role in accordance with our requirement, the quality of content may be hampered, thus affecting our reputation and financial condition. Third party technicians may make an error or cause negligence affecting the timelines of completing the content as envisaged by our management, thus causing us to postpone releases, which may in turn affect our business operations and reputations.

If we experience significant or prolonged issues with content creation, our audiences may switch to our competitors and we may lose our subscribers and viewers thus adversely affecting our revenues. Further, in the absence of any long term agreements / arrangements with the various third parties, we cannot assure that a particular professional or technician will continue to work for our content in the future. In the event the prices of such these professionals / technicians were to rise substantially, we may find it difficult to make alternative arrangements for such professionals / technicians on the terms acceptable to us, which could materially affect our business, results of operations and financial condition.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. The Company has made a trade mark application bearing No. 4579424 dated July 22, 2020 before the Registrar of Trade Mark which is currently pending. Further, the Company is in the process of applying to the concerned authorities for obtaining the Certificate of Registration under the Maharashtra shop and Establishments (Regulations Employment and conditions of Service) Act, 2017 for our properties located at Unit No. 3 & 4, Ground Floor, ZA Towers, ZohraAghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061 and Lower Basement, ZA Towers, ZohraAghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061.

However, till date no penalty has been levied on the Company in respect of the above non-compliances. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “Key Regulations and Policies” and “Government and Other Key Approvals” at page nos. 93 and 154 respectively of this Draft Prospectus.

**17. Any variation in the utilisation of the Net Proceeds of the Issue as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.**

We propose to utilize the Net Proceeds for acquisition of workshop & godown and Writer's Lounge on a long term lease basis and for further augmenting our digital media content library. For further details of the proposed objects of the Issue, please refer “Objects of the Issue” on page no. 56 of this Draft Prospectus. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Issue as disclosed in this Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation 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 Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.



**18. Our Company has availed ₹ 225.10 lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.**

Our Company, as per the restated financial statement, has availed total sum of ₹ 225.10 lakhs as unsecured loan as on March 31, 2020, which may be recalled / repayable at any time. Any urgent repayment required on such borrowings might affect our cash flows and may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. Any interim or un-timely demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition. However, on August 25, 2020, our Company has allotted 7,00,000 Equity Shares at a price of ₹ 30/- per share against ₹ 210.00 lakhs of the above outstanding loans.

**19. We are in the process of developing our own web based application. We cannot guarantee that we will be able to develop and launch the same in a timely manner and that it will be able to generate the envisaged revenues. If we fail to successfully operate this platform, our financial condition may be adversely affected.**

One of our foremost business strategies includes developing and operating our web based application for multiple devices based on a subscription fee, in the name and style of Net Pix Shorts. The development is currently in process and we intend to launch the platform shortly. However, we cannot guarantee that we will be able to complete the development and launch the app in a timely manner and that there will be no technical delays. Any substantial delay may result in increased cost of development, increased competition in the market, stagnation of short content and loss of reputation among our media partners and end users. If any of the above were to occur, our customers and end users could switch to competitor apps, causing us to lose subscription revenue and thus affecting our financial condition.

Further, a multi-device application requires constant monitoring, regular updates, fresh content and a seamless user interface for the end users. If the application develops technical issues, it may lead to system crashes and disruption in content. Any unforeseen technical or otherwise reason due to which our app does not function in a user friendly manner, it may lead to lower viewership and decreased revenues and we may have to incur additional costs to correct the issues. Further, in case of repeated issues, we may witness a loss in subscription and we may not be able to recover our development expenses. Our reputation, business operations and financial condition are significantly dependent on the success of our proposed OTT platform.

**20. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors 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, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further information, see the sections titled “Our Management” and “Our Promoter and Promoter Group” on page nos. 103 and 114 respectively of this Draft Prospectus and the section titled “Financial Statements” beginning on page no. 119 of this Draft Prospectus.

**21. We are exposed to pricing fluctuations by our channel and other online partners.**

We host our contents on to our YouTube channel – Net Pix Shorts and also license out the same to other online portals and OTT platforms. We earn our fees based on number of views and subscribers wherein, each view entitles us for a pre-decided amount. YouTube has the authority to change the pricing formula for per view and also for advertisement share without prior intimation and we may not be able to negotiate a better pricing structure. Also, other online portals may change their pricing policy and the revised revenue earnings may decrease as a result of the same. Further, the YouTube advertisement sharing is based on internal guidelines of YouTube, over which we have no control. For e.g., as per YouTube policy, if any content is earmarked by their assessment





standards as an 'adult content', then no advertisement revenues are allowed. In case where YouTube categorises our content according to their pre-determined standards, our revenue from such content may be affected.

Additionally, with increasing competition among the short film segment, if we negotiate for higher prices, we may be able to license out our content successfully, resulting in lower brand recognition. In order to remain in line with the competition, we may have to reduce our margins, offer discounts or lower our current licensing fees. The level of fees we receive either on per view basis or as licensing fees are subject to continuous competitive pressure as we enter into new agreements and renew our agreements with distributors, advertisers and exhibitors. Any reduction in the amount of fees to us, would directly reduce our revenue.

**22. *The acquisition of other companies or businesses in the future could result in operating difficulties, integration issues and other adverse consequences due to our limited past experience in acquiring businesses.***

At the time of incorporation, we have acquired the entire running business of M/s. First Step Entertainment Capital, the Erstwhile Proprietorship of our Promoter Mr. Danish Zakaria Aghadi. As on the date of this Draft Prospectus, the entire business of the Erstwhile Proprietorship has been acquired by our Company, which includes the ownership of all the content created by the firm. In future we may consider making additional acquisitions based on the opportunity available in the market.

At the time of acquiring businesses we may have to pay a certain amount of premium to the outgoing management / shareholders for synergic benefits that we may accrue compared to standalone valuations of those firms / businesses / companies. Our inability to identify suitable acquisition opportunities in the future, or adequately priced acquisitions, entering into agreement with such parties or obtaining the necessary financing to make such acquisitions could adversely affect our future growth. Moreover, the costs of identifying and consummating acquisitions may be significant. Also, acquired assets or businesses may not generate the financial results we expect. We may also have to obtain approvals and licenses from the relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased costs and delay. We cannot assure you that we will be able to achieve the strategic objective for such an acquisition. Furthermore, if an acquisition generates insufficient revenues or if we are unable to manage our expanded business operations efficiently, our results of operations could be materially and adversely affected.

**23. *Our success depends on our ability to retain and attract Key Managerial Personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop and grow our business.***

Our Company is depending significantly on the expertise, experience and continued efforts of our directors and key managerial personnel. If our director or one or more members of our key managerial personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience for our business.

Competition for key managerial personnel in our industry is intense and it is possible that our Company may not be able to retain existing key managerial personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of key managerial personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled "*Our Management*" beginning on page no. 103 of this Draft Prospectus.

**24. *We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with independent third parties.***

Our Company has entered into certain transactions with our related parties including our Promoter, our Directors, and their relatives amounting to ₹ 455.39 lakhs during the year ended March 31, 2020. These transactions include various line production activities for which we employ certain related party entities, who in turn co-ordinate with the various departments involved in production. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the





transactions entered by us, please refer to chapter “Annexure XXVI – Statement of Related Party Transactions” beginning on page no. 136 of this Draft Prospectus.

- 25. Our Company has entered into agreements with various companies in different countries for association as business partners. Our ability to expand our business & procure new contracts or enter into beneficial business agreement may be affected by these agreements**

We have entered into an license agreement with online digital platform providers such as Google, Hungama, Sony Pictures, etc. Further, we have also entered into certain non-exclusive agreements with international media companies for publishing and also for theatrical release of some of our content. Further our ability to expand our business & procure new contracts or enter into beneficial business agreement may be affected by the existing agreements. There may be certain clauses in those agreements which may restrict our business abilities, release timelines, and content distribution norms. Such restrictive clauses hamper our ability to offer services to new customers and which may adversely affect our business and growth.

Further, in case of any intentional or unintentional violation of any of the terms of the business agreements with our business partners, they may terminate the association. Further, our business partner may also initiate any legal proceedings against us in case of violations of the terms of the agreement. If any of these legal proceedings materialise, it may affect market image, brand value our financial condition adversely.

- 26. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “Objects of the Issue” on page no. 56 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business and development plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

- 27. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilise the proceeds of the Issue. Any variation between the estimation and actual expenditure on these projects could result in execution delays or influence our profitability adversely.**

The deployment of funds as stated in the section titled “Objects of the Issue” on page no. 56 of this Draft Prospectus are entirely at the discretion of our management and are not subject to monitoring by any independent agency. All the figures included under the “Objects of the Issue” are based on our own estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. Though we have specified the amount required to create / acquire new content, the exact number, title and other details of such content has not been specified. We may utilize the amount for paying outstanding dues to various professionals, agencies and technicians for a content which is almost ready for release in order to complete the transaction creating content. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 28. Our Workshop & Godown and the Writer’s Lounge are not owned by us. In case of suspension or cancellation of lease agreement, there may be an effect on our business, results of operations and prospects. Also our Registered Office is owned by our Promoter and he has given us an NoC to use the same. Any revocation of such NoC could hamper our business operations.**

We do not own our registered office at 1402, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri (West), Mumbai – 400 061 and the same is owned by our Promoter Mr. Danish Zakaria Aghadi, who has given us his NoC to use the premises as our Registered Office. In an event such an NoC is revoked, we may not be able to manage our business operations seamlessly, thus affecting our financial performance. We have also entered into a lease agreement with a 3<sup>rd</sup> party for using the premises situated at Lower Basement, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri (West), Mumbai – 400061 and at Unit No. 3 & 4, Ground Floor, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri (West), Mumbai – 400061, as our workshop & godown and the Writer’s



Lounge, respectively. Any defaults in complying with the terms and conditions/covenants on our part for the said properties may be subjected to penal provisions and it may also lead to the cancellation of such lease agreement.

If we are unable to renew the agreements pursuant to which we occupy the premises on terms and conditions acceptable to us, or at all, we may have to relocate to other places. Further, if we are required to relocate our registered office or workshop & godown or the Writer's Lounge as a result of suspension or cancellation of lease or revocation of the NoC, we may incur additional cost as a result of such relocation. We may have to acquire or rent new offices, which may be not be available within our desired price range, location or convenience or at all. Acquiring any new place will entail costs pertaining to deposits, rents, registration, etc. and the same may adversely affect our profitability. Any failure or difficulty faced by us continuing the lease agreement may affect our business and its prospects. For further details of our Properties, please refer to section titled "Properties - Our Business" beginning on page no. 91 of this Draft Prospectus.

**29. Our business and processes are carried out from our registered office, workshop and Writer's Lounge which are located in a single location in Mumbai. Any disruption or suspension in the business operations in these facilities can significantly impact our ability to service customer needs.**

We operate our business from our registered office, workshop & godown and the Writer's Lounge, all of which are situated in the same building in the suburban area Mumbai. Any disruption in the operations due to supply of power outages, fire or industrial accidents, floods or any natural calamity at these units could hamper or delay our ability to create manage new talent, new content, maintain the existing content and continue any other related business activity. Any disruption or suspension in the business operations in these facilities can significantly impact our ability to service our end users and considering the dynamics of this industry, any inability to be connect with our end users may have a material adverse effect on our reputation, recall, business, revenues, results of operation and financial condition.

**30. We are dependent on our Individual Promoter, Mr. Danish Zakaria Aghadi for his expertise and market goodwill. Our separation, if any, from our Promoter may adversely affect our business.**

Our Promoter, Mr. Danish Zakaria Aghadi is an acting and theatre professional having approximately 4 years experience in this industry. He has completed a certificate course in acting and dance from 'Actor's Prepare – The School for Actors' and has also attended several workshops in acting and theatre. Over these years he has built a strong relationship with many industry players, new talent and seasoned professionals in the industry which helps us in our content creation process.

We benefit from our relationship with our Promoter and our success depends upon the continuing service of our Promoter who has been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoter was also the proprietor of the Erstwhile Proprietorship wherein our YouTube Channel – Net Pix Shorts was initiated. Our Promoter has been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoter. If our Promoter is unable or unwilling to continue in his present position i.e. if our Promoter decides to join any corporation in managerial capacity or otherwise, we may not be able to replace him easily or at all.

The loss of our Promoter's service could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**31. Our Company has reported certain negative cash flows from its investing activity and operating activity, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had reported certain negative cash flows from our investing activities and operating activities in the previous years as per the restated financial statements and the same are summarised as under:

(₹ in lakhs)

Particulars	As on the March 31, 2020
Net Cash from Operating Activities	(300.32)
Net Cash from Investing Activities	(17.94)
Net Cash used in Financing Activities	385.01



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

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

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

**33. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees, or external agencies like professionals and / or technicians or any other kind of disputes with our employees and these external agencies.***

Our business activities are dependent on availability of skilled and unskilled labour. Generally, we hire our technicians and labour on requirement basis for each production process. Non-availability of technicians and labour at any time or any disputes with them may affect our production schedule and timely delivery of our contents for publishing on the online digital portals and OTT platforms, which may adversely affect our business and result of operations. We cannot assure you that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

**34. *We propose to utilize a part of the Net Proceeds for general corporate purpose and our management will have the discretion to deploy the funds. In any case, the deployment towards general corporate purposes out of the IPO proceeds shall not exceed 25% from the said issue.***

We propose to utilize the Net Proceeds for purposes identified in the section titled “*Objects of the Issue*” and we propose to utilize the balance portion of the Net Proceeds towards general corporate purposes, namely, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, investment in securities, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

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

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We plan to increase our revenue by providing more and variety content and license are content to other online platforms as well as adding content to our existing content library. We believe our experience and expertise will help us in executing these business strategies; however we may not be able to execute our strategies in time or at all in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long- term business outlook.

**36. *Our insurance coverage may prove inadequate to satisfy future claims against us.***

Our business & assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be covered by insurance. We cannot guarantee that the existing insurance that we have will be able to cover any unforeseen losses to its full extent or at all. Besides, if any uninsured losses occur, the aforementioned losses will not be compensated to any extent. If we are required to take new coverage, there can be no assurance that a suitable coverage will be available on reasonable terms or will be available in sufficient



amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Presently, if we suffer a large uninsured loss our business, financial condition and results of operations may be adversely affected.

**37. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. The media and entertainment industry is highly competitive and unorganised, with no single company controlling significant market share in the business. We face competition from both organized and unorganized players in the market. We are operating in a niche segment & there are various players in our industry which are much larger and better recognised than us. Amongst the players, we consider Pocket Films, TVF, Dice Media, SIT, Excel Entertainment, Balaji Telefilms, Ding Entertainment and many more as major competitors in our business. If we are unable to effectively compete our revenues and reputation may be adversely affected and we not be able to achieve our long term strategies.

Also our principle platform, Google Inc. (YouTube), have their internal departments which are into content creation. If our platforms providers start their own content deployment instead of giving us a platform for deployment & sharing the revenue that could adversely affect our revenue from operations and financial conditions.

**38. *If we are not able to manage our growth, our business could be affected adversely.***

We have expanded considerably since we launched our YouTube channel in 2018. We anticipate that further expansion of our operations will be required to address any significant growth in our viewership and subscriber base and to take advantage of favourable market opportunities. Any future expansion will likely place significant demands on our managerial, operational, administrative and financial resources. If we are not able to respond effectively to new or increased demands that arise because of our growth, or, if in responding, our management is materially distracted from our current operations, our business may be affected adversely. In addition, if we do not have sufficient breadth and depth of the content and titles necessary to satisfy increased demand arising from growth in our subscriber base, our subscriber satisfaction may be affected adversely.

The increased utilization of third party online portals and OTT platforms is crucial to our growing viewership and increase in our reputation and brand name. We anticipate that viewers who like our limited content on third party platforms will be interested in our other offerings and thus increase subscribers to our channel. If are unable to manage the increased attention by providing good content in the form of short films, web series and / or music we may not be able to sustain the subscriber base and which would adversely affect our operating results.

We have no experience in operating out own OTT platform and also in offering our content outside India. If we offer our content by licensing non-exclusive rights outside India, we will need to focus on creating / acquiring content appealing to international audiences, including adjusting to the terms and conditions of online media distributing companies in such other countries. As a result, our managerial, operational, administrative and financial resources may be strained. Any failure to match the international requirements may not achieve the subscriber acquisition or operating results anticipated by us at the time we determine to license our content internationally.

**39. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communication services. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of services our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory



intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

**40. *Our Promoter and Promoter Group will continue to exercise control post completion of the Offer and will have considerable influence over the outcome of matters.***

Upon completion of this Issue of upto 9,00,000 Equity Shares by way of a Fresh Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares i.e. approximately 72% of the total Post-Issue paid up capital. As a result, our Promoter will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoter will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoter could conflict with the interests of our other equity shareholders, and the Promoter could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**41. *The requirements of being a listed company may strain our resources.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically 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.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. Further, we may need to hire additional compliance, legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## **RISK FACTORS RELATED TO EQUITY SHARES**

**42. *The Equity Shares have never been publicly traded, and, after this Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to this Issue, there has been no public market for the Equity Shares, and an active trading market on the StartUp segment of the SME Exchange of BSE may not develop or be sustained after this Issue. Our Company and the Lead Manager have appointed Aryaman Capital Markets Limited as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares 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 market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the StartUp segment of the SME Exchange of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.





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

Following the Issue, our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies 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 BSE based on the historical volatility in the price and trading volume of the Equity Shares.

BSE is not required to inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. 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 the Equity Shares or the price at which you may be able to sell the Equity Shares at any particular time.

**44. *Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**45. *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, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**46. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue price based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

**47. *There is no guarantee that the Equity Shares will be listed on the StartUp platform of the SME Exchange of BSE in a timely manner or at all, and any trading closures at the BSE may adversely affect the trading price of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Prospectus for registration to the Registrar of Companies under the Companies Act, 2013. We cannot assure you that the Registrar of Companies will register such Prospectus in a timely manner or at all. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the StartUp platform of the SME Exchange of BSE. Any delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.





The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the BSE could adversely affect the trading price of the Equity Shares.

## EXTERNAL RISK FACTORS

### ***48. The short term and long term effects of the pandemic caused by Covid-19 may affect the Country's growth as a whole, our business strategies and also cause uncertainty in the business environment.***

The Coronavirus epidemic has caused the economy to experience a severe backlash amid various lockdowns and work stoppages across industry sectors. The outbreak has presented fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story. Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. Given the challenges that the businesses and people are facing currently, the Indian economy is most likely to experience a lower growth during the last quarter of the current fiscal.

Further, there is no certainty pertaining to how long the current lockdown may last and how long before the industries and businesses start their operations in full capacities. The exit plan to the lockdown may entail only partial operations, which may not be sufficient to push the economy back on the growth path. If the economic situation worsens, it may affect various small businesses, jobs and overall well-being, thus affecting our ability to function in our full capacity or at all.

Though, the outbreak of Coronavirus has not yet had a major impact on the domestic real estate market, a prolonged impact of the Coronavirus may not have a favorable impact on the prospects of the real estate industry. Despite our endeavour to continue with our long term business strategies, our Company may have to alter its short term strategies in wake of the said pandemic, which may require considerable changes in business plans, timelines and cash flow planning.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and state of Infrastructure development in State and well as in the Country. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.



**50. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**51. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan or India and China might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The GoI has proposed a comprehensive national goods and services tax (the "GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following the implementation of the GST.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in



other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global pandemic crisis, the spread of Covid-19 virus which originated in China, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in NIFTY, NSE's / SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**54. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

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

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

**56. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition.***

As stated in the reports of our Company's independent auditors included in the Draft Prospectus, our Restated Financial Information is prepared and presented in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Draft Prospectus to any other principles or to base it on any other standards such as US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.



## SECTION IV – INTRODUCTION

### THE ISSUE

<b>Equity Shares Issued<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company <sup>(2)</sup> :	Up to 9,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs	
<b>Of which:</b>		
<b>Issue Reserved for the Market Maker</b>	Up to 52,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.	
<b>Net Issue to Public</b>	Up to 8,48,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.	
	<b>Of which<sup>(3)</sup>:</b>	
	Up to 4,24,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	
	Up to 4,24,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	
<b>Equity shares outstanding prior to the Issue</b>	23,00,060 Equity Shares of face value of ₹ 10 each	
<b>Equity shares outstanding after the Issue</b>	Up to 32,00,060 Equity Shares of face value of ₹ 10 each	
<b>Use of Net Proceeds</b>	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page no. 56 of this Draft Prospectus.	

<sup>(1)</sup> This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled "Issue Related Information" beginning on page no. 165 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated August 26, 2020 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on August 27, 2020.

<sup>(3)</sup> The allocation in the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time, which reads as follows:

"In an issue made other than through the book building process, the allocation in the net issue category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.]"

For further details please refer to the chapter titled "Issue Structure" beginning on page no. 170 of this Draft Prospectus.



## SUMMARY OF FINANCIAL INFORMATION

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>EQUITY AND LIABILITIES</b>	
<b>1.Shareholder's fund</b>	
a) Share Capital	160.01
b) Reserves and surplus	2.28
<b>Total Shareholder's Fund (1)</b>	<b>162.29</b>
<b>2. Non-Current liabilities</b>	
Long Term Borrowings	225.10
<b>Total (2)</b>	<b>225.10</b>
<b>3.Current liabilities</b>	
a) Trade payables	132.76
b) Other Current liabilities	3.65
c) Short Term Provisions	1.09
<b>Total (3)</b>	<b>137.50</b>
<b>TOTAL (1+2+3)</b>	<b>524.88</b>
<b>ASSETS</b>	
<b>1.Non - Current Assets</b>	
a) Property, plant & equipment	
i.) Tangible assets	12.70
ii.) Intangible assets	1.60
iii) Work in Progress	-
b) Deferred Tax Assets (Net)	0.32
<b>Total (1)</b>	<b>14.62</b>
<b>2.Current Assets</b>	
a) Inventories	411.48
b) Trade Receivables	18.00
c) Cash and Bank Balances	66.75
d) Short Term Loans & Advances	8.00
e) Short Term Loans & Advances	4.23
<b>Total (2)</b>	<b>510.27</b>
<b>TOTAL (1+2)</b>	<b>524.88</b>



## SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(₹ in lakhs)

Particulars	Year ended March 31, 2020
<b>INCOME:</b>	
Revenue from operations	18.36
Other Income	0.01
<b>Total Income</b>	<b>18.37</b>
<b>EXPENSES:</b>	
Production Expenses	411.48
Changes in Inventory	(411.48)
Employee benefit expenses	9.33
Finance costs	0.09
Depreciation & Amortization expense	3.65
Other Expenses	2.24
<b>Total expenses</b>	<b>15.32</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>3.05</b>
Prior period items	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>3.05</b>
Exceptional items	-
<b>Profit before extraordinary items and tax</b>	<b>3.05</b>
Extraordinary items	-
<b>Net Profit / (Loss) before tax</b>	<b>3.05</b>
<b>Less: Tax expense</b>	
Current tax	1.09
Deferred tax (assets)/ liabilities	(0.32)
<b>Total tax expense</b>	<b>0.77</b>
<b>Net profit / ( loss ) after tax</b>	<b>2.28</b>





## CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	Year ended March 31, 2020
<b>Cash flow from operating activities:</b>	
<b>Net Profit before tax as per Profit And Loss A/c</b>	<b>3.05</b>
Adjusted for:	
Depreciation & Amortization	3.65
Interest & Finance Cost	0.09
Interest Received	(0.01)
<b>Operating Profit Before Working Capital Changes</b>	<b>6.78</b>
Adjusted for (Increase)/ Decrease:	
(Increase) / Decrease in Inventories	(411.48)
(Increase) / Decrease in Trade Receivables	(18.00)
(Increase) / Decrease in Short Term Loans & Advances	(9.81)
(Increase) / Decrease in Other Current Assets	(4.23)
Increase / (Decrease) in Trade Payables	132.76
Increase / (Decrease) in Other Current Liabilities	3.65
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(300.32)</b>
Add:- Extra-Ordinary Items	-
<b>Cash Generated From Operations</b>	<b>(300.32)</b>
Direct Tax Paid	-
<b>Net Cash Flow from Operating Activities: (A)</b>	<b>(300.32)</b>
<b>Cash Flow From Investing Activities:</b>	
(Increase) / Decrease in Fixed Assets	(17.95)
Interest Received	0.01
<b>Net Cash Flow from Investing Activities: (B)</b>	<b>(17.94)</b>
<b>Cash Flow from Financing Activities:</b>	
Proceeds from issue of equity shares	160.00
Proceeds / (Repayment) from Long-Term Borrowings	225.10
Interest & Finance Cost	0.09
<b>Net Cash Flow from Financing Activities (C)</b>	<b>385.01</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>66.75</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>66.75</b>



## GENERAL INFORMATION

Our Company was incorporated as “Net Pix Shorts Digital Media Limited” on June 20, 2019 under the Companies Act, 2013 with the Registrar of Companies, Mumbai bearing Registration No. 327005 with an intention to corporatize the business of M/s. First Step Entertainment Capital, a proprietary concern of our Promoter, Mr. Danish Zakaria Aghadi. The Company’s Corporate Identity Number is U22300MH2019PLC327005.

For further details, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page no. 100 of this Draft Prospectus.

<b>Registered Office</b>	<b>Address:</b> 1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061 <b>Tel No:</b> +91 8828231678 <b>Email:</b> info@netpixshorts.com <b>Website:</b> www.netpixshorts.com
<b>Date of Incorporation</b>	June 20, 2019
<b>Company Registration No.</b>	327005
<b>Company Identification No.</b>	U22300MH2019PLC327005
<b>Address of Registrar of Companies</b>	<b>Address:</b> Everest, 100, Marine Drive, Mumbai – 400002 <b>Tel No.:</b> + 91 22812627/22020295/22846954 <b>Fax No.:</b> +91 22811977
<b>Issue Programme</b>	Issue Opens on: [●] Issue Closes on: [●]
<b>Designated Stock Exchange</b>	BSE Limited <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>Tel No:</b> +91 – 22 – 2272 1233/4 <b>Website:</b> www.bseindia.com

## BOARD OF DIRECTORS

As on the date of this Draft Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Mr. Danish Zakaria Aghadi	Managing Director	05017846	Flat No. 62, Perry Dert Building, 6 <sup>th</sup> Floor, 22/A Perry X Road, Bandra West, Mumbai – 400 050.
Ms. Nazish Furniturewala	Non Executive Non Independent Director	08294240	Z. A. Towers CHSL, Flat No. 1701, Zohra Aghadi Nagar, Yari Road, Versova, Andheri West, Mumbai – 400 061
Ms. Sony Pandey	Non Executive Independent Director	08608227	Sonapur House No. 10, Near Shivshakti Nagar, Jaihind Nagar, Shivaji Nagar, Mankhurd, Mumbai – 400 043
Mr. Rahul Dayama	Non Executive Independent Director	07906447	Plot No. 4, Shankarwadi, Opp. JDCC Bank, Sabhagraha, Ring Road, Jalgoan – 425 001

For further details of our Directors, see “Our Management” on page no. 103 of this Draft Prospectus.

## CHIEF FINANCIAL OFFICER

### Mr. Irfan Memon

1402, Z A Towers, Zohra Aghadi,  
Yari Road, Versova, Andheri West,  
Mumbai – 400 061

**Tel No:** +91 8828231678; **Email:** info@netpixshorts.com

## COMPANY SECRETARY AND COMPLIANCE OFFICER

### Mr. Manish Heda

1402, Z A Towers, Zohra Aghadi,  
Yari Road, Versova, Andheri West,  
Mumbai – 400 061

**Tel No:** +91 8828231678; **Email:** info@netpixshorts.com



## INVESTOR GRIEVANCES

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

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg,  
Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001  
**Tel No.:** +91 – 22 – 6216 6999  
**Email:** ipo@afsl.co.in  
**Investor Grievances Email:** feedback@afsl.co.in  
**Website:** www.afsl.co.in  
**Contact Person:** Mr. Vimal Maniyar / Ms. Kruti Bhatt  
**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE ISSUE



**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building No. 1,  
Club House Road, Chennai – 600 002  
**Tel No.:** +91 - 44 2846 0390/ 1989  
**Email:** cameo@cameoindia.com  
**Website:** www.cameoindia.com  
**Contact Person:** Mr. R. D. Ramasamy  
**SEBI Registration No.:** INR 000003753

### LEGAL COUNSEL TO THE ISSUE



**M/S. KANGA & CO. (ADVOCATE & SOLICITORS)**  
Readymoney Mansion, 43,  
Veer Nariman Road, Fort, Mumbai - 400 001  
**Tel No.:** +91 22 6623 0000 / 6633 2288  
**Fax No.:** +91 22 6633 9656 / 57  
**Email:** chetan.thakkar@kangacompany.com  
**Website:** www.kangacompany.com  
**Contact Person:** Mr. Chetan Thakkar



## STATUROY AUDITORS OF OUR COMPANY

### M/S. B. L. DASHARDA & ASSOCIATES, CHARTERED ACCOUNTANTS

301, Vastubh Apts, Near Hanuman Temple,

Datta Pada Cross Road No. 1,

Borivali East, Mumbai - 400 066.

**Tel:** + 91 – 98924 59697

**Email:** office2854@gmail.com

**Contact Person:** CA Sushant Mehta

**Membership No.:** 112489

**Firm Registration No.:** 112615W

**Peer Review No:** 010333

## CHANGES IN AUDITORS

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

Sr. No.	Date of Change	From	To	Reason for change
1.	August 27, 2020	<b>M/s. S M Bhat &amp; Associates, Chartered Accountants</b> Office No. 3, Ish Prasad, Old Police Lane, Andheri East, Mumbai – 400 069 <b>Tel:</b> + 91 – 90041 92773 <b>Email:</b> bhat30696@yahoo.in <b>Contact Person:</b> Mr. S M Bhat <b>Membership No.:</b> 030696 <b>Firm Registration No.:</b> 131347W <b>Peer Review No:</b> N.A.	<b>M/s. B. L. Dasharda &amp; Associates, Chartered Accountants.</b> 301, Vastubh Apts, Near Hanuman Temple, Datta Pada Cross Road No. 1, Borivali East, Mumbai - 400 066. <b>Tel:</b> + 91 – 98924 59697 <b>Email:</b> office2854@gmail.com <b>Contact Person:</b> CA Sushant Mehta <b>Membership No.:</b> 112489 <b>Firm Registration No.:</b> 112615W <b>Peer Review No:</b> 010333	Causal Vacancy

## BANKER(S) TO OUR COMPANY

[•]

## BANKER(S) TO OUR ISSUE

[•]

## SPONSOR BANK(S)

[•]

## SELF CERTIFIED SYNDICATE BANK(S)

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.



## **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

## **REGISTERED BROKERS**

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

## **REGISTRAR AND SHARE TRANSFER AGENTS**

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

## **COLLECTING DEPOSITORY PARTICIPANTS**

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

## **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager (LM) to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

## **MONITORING AGENCY**

Since the proceeds from the Fresh Issue does not exceed ₹ 10,000 lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISING ENTITY**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## **CREDIT RATING**

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

## **IPO GRADING**

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

## **TRUSTEES**

As this is an Issue of Equity Shares, the appointment of trustees is not required.

## **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. B. L. Dasharda & Associates, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated



September 02, 2020 and the Statement of Tax Benefits dated September 02, 2020, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

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

## FILING OF OFFER DOCUMENT

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of Draft Prospectus shall be furnished to the Board in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002.

## ISSUE PROGRAMME

Event	Dates
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of allottees	[●]
Commencement of trading of Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange





may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated August 28, 2020. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriters	No. of Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Email:</b> ipo@afsl.co.in	Up to 8,48,000	[●]	94.22%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Email:</b> aryacapm@gmail.com	Up to 52,000	[●]	5.78%
<b>Total</b>	<b>Up to 9,00,000</b>	[●]	<b>100.00%</b>

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Issue has been hundred percent underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that the Lead Manager to the Issue have underwritten more than 15% of the total Issue Size.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Lead Manager shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount. If the Underwriter(s) fails to fulfil its underwriting obligations as set out in the Underwriting Agreement, the Lead Manager shall fulfil the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

## MARKET MAKER



### ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg,  
Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001

**Tel. No.:** +91 – 22 – 6216 6999

**Email:** aryacapm@gmail.com

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** SMEMM0651421122012



## Details of the Market Making Agreement

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfil the obligations of Market Making) dated August 28, 2020 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Aryaman Capital Markets Limited, registered with BSE Startup Segment under SME Platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

1. The Market Maker 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 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 minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE Startup Segment under SME Platform of BSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on BSE Startup Segment under SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. 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.
8. 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.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

10. **Risk containment measures and monitoring for Market Maker:** BSE Startup Segment under SME Platform of BSE Limited 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.

11. **Punitive Action in case of default by Market Maker:** BSE Startup Segment under SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

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

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

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

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue



---

Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchanges.



## CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price <sup>(3)</sup>
<b>A.</b>	<b>Authorized Share Capital</b>		
	33,50,000 Equity Shares of face value of ₹ 10 each	335.00	-
<b>B.</b>	<b>Issued, Subscribed And Paid-Up Equity Capital before the Issue</b>		
	23,00,060 Equity Shares of face value of ₹ 10 each	230.01	-
<b>C.</b>	<b>Present Issue in Terms of this Draft Prospectus</b>		
	Issue of Up to 9,00,000 Equity Shares of face value of ₹ 10 each <sup>(1)</sup>	90.00	[●]
	<b>Which Comprises:</b>		
	Up to 52,000 Equity Shares of face value of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	5.20	[●]
	Net Issue to Public of up to 8,48,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	84.80	[●]
	<b>Of which<sup>(2)</sup></b>		
	Allocation to Retail Individual Investors of Up to 4,24,000 Equity Shares	42.40	[●]
	Allocation to other than Retail Individual Investors of Up to 4,24,000 Equity Shares	42.40	[●]
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	Up to 32,00,060 Equity Shares of face value of ₹10 each		320.01
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		140.00
	After the Issue		[●] <sup>(3)</sup>

<sup>(1)</sup> The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on August 26, 2020 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held with a shorter notice on August 27, 2020.

<sup>(2)</sup> 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 spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

<sup>(3)</sup> To be finalized upon determination of the Issue Price.

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

### Changes in Authorized Share Capital

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

1. The initial authorized share capital of ₹ 2,35,00,000 divided into 23,50,000 Equity Shares of ₹10 each was increased to ₹ 3,35,00,000 divided into 33,50,000 Equity Shares of ₹10 each pursuant to resolution of shareholders passed at the EGM held on August 27, 2020.



## NOTES TO THE CAPITAL STRUCTURE

### 1. Equity Share Capital History of our Company

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	16,00,000	10	10	Other than Cash	Subscription to MOA <sup>(1)</sup>	16,00,060	1,60,00,600	Nil
	60			Cash				
August 25, 2020	7,00,000	10	30	Cash	Right Issue <sup>(2)</sup>	23,00,060	2,30,00,060	14,00,000

<sup>1.</sup> Allotment of 16,00,000 equity shares to Mr. Danish Zakaria Aghadi (Proprietor of – M/s. First Step Entertainment Capital) in lieu of acquisition of business of said proprietor firm vide MoU dated June 20, 2019; 10 equity shares each were allotted to Ms. Nazish Furniturewala, Ms. Swati Semwal, Mr. Rakesh Kumar, Ms. Sony Pandey, Mr. Rafique Ingaria and Mr. Zuber Sorathia, pursuant to subscription to the MoA.

<sup>2.</sup> Pursuant to Board Resolution dated August 25, 2020, our Company has allotted 7,00,000 equity shares to Mr. Danish Zakaria Aghadi on rights basis.

### 2. Details of Equity Shares issued for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company
Upon Incorporation <sup>(1)</sup>	16,00,000	10	10	Pursuant to acquisition of business of M/s. First Step Entertainment Capital <sup>(1)</sup>	Acquisition of Business

<sup>(1)</sup> Pursuant to MoU dated June 20, 2019, our Company acquired business of M/s. First Step Entertainment Capital (Proprietorship of Mr. Danish Zakaria Aghadi).

3. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.

4. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

5. Our Company has not issued any equity shares lower than the Issue Price during the preceding 1 (one) year.





## 6. Shareholding Pattern of our Company

a) The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus.

Category (I)	Category of shareholder(II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
								Class-Equity	Class	Total								
A	Promoter & Promoter Group	1	23,00,000	-	-	23,00,000	100.00%	23,00,000	-	23,00,000	100.00%	-	100.00%	-	-	-	-	23,00,000
B	Public	6	60	-	-	60	00.00%	60	-	60	00.00%	-	00.00%	-	-	-	-	10
C	Non Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>23,00,060</b>	<b>-</b>	<b>-</b>	<b>23,00,060</b>	<b>100.00%</b>	<b>23,00,060</b>	<b>-</b>	<b>23,00,060</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,00,010</b>



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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Mr. Danish Zakaria Aghadi	23,00,000	almost 100.00%
<b>Total</b>		<b>23,00,000</b>	<b>almost 100.00%</b>

- c) Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.
- d) Our Company was incorporated on June 20, 2019. Hence, there were no shareholders two years prior to this Draft Prospectus.
- e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Mr. Danish Zakaria Aghadi	16,00,000	almost 100.00%
<b>Total</b>		<b>16,00,000</b>	<b>almost 100.00%</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Mr. Danish Zakaria Aghadi	16,00,000	almost 100.00%
<b>Total</b>		<b>16,00,000</b>	<b>almost 100.00%</b>

- g) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

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

## 8. Shareholding of our Promoter

- a) Build-up of the shareholding of our Promoter in our Company since incorporation

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital	Lock-in Period
<b>Mr. Danish Zakaria Aghadi</b>									
Upon Incorporation	Subscription to MOA	Other than Cash	16,00,000	10	10	16,00,000	69.56%	50.00%	1 Year
August 25, 2020	Further Allotment	Cash	6,45,000	10	30	23,00,000	30.43%	21.87%	3 Years
			55,000						1 Year



## Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoter has confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

### b) Pre-Issue and Post-Issue Shareholding of our Promoter and Promoter Group

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>1. Promoter</b>				
Mr. Danish Zakaria Aghadi	23,00,000	almost 100.00%	23,00,000	71.87%
<b>2. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)</b>				
-	-	-	-	-
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>23,00,000</b>	<b>almost 100.00%</b>	<b>23,00,000</b>	<b>71.87%</b>
<b>Total Paid up Capital</b>	<b>23,00,060</b>	<b>100.00%</b>	<b>32,00,060</b>	<b>100.00%</b>

All Equity Shares held by the Promoter and members of our Promoter Group have been dematerialised as on date of this Draft Prospectus.

9. Our Company has Seven (7) shareholders, as on the date of this Draft Prospectus.

10. We hereby confirm that:

- None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus.
- None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

## 11. Promoter' Contribution and Lock-in details

### a) Details of Promoter' Contribution locked-in for three (3) years

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoter shall be considered as promoter' contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter' Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of the Promoter	Number of shares locked-in <sup>(1)</sup>	As a % of Post Issue Share Capital
Mr. Danish Zakaria Aghadi	Up to 6,45,000 <sup>(1)</sup>	20.16%
<b>Total</b>	<b>Up to 6,45,000</b>	<b>20.16%</b>



<sup>(1)</sup> For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 8 under “Notes to Capital Structure” on page no. 50 of this Draft Prospectus.

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter’ Contribution subject to lock-in.

**We further confirm that our Promoter’ Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

*b) Details of share capital locked-in for one (1) year*

- i) Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoter’ Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
  - ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
  - iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
  - iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
12. Neither the Company, nor it’s Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
  13. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares
  14. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and



investment banking transactions with our Company for which they may in the future receive customary compensation.

15. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Issue Procedure*" beginning on page no. 173 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
17. 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, which is the minimum application size in this Issue. 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 Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
18. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
19. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
20. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
21. Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
22. Our Promoter and Promoter Group will not participate in the Issue.
23. Our Company has not re-valued its assets and we do not have any revaluation reserves till date.



## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### Issue Proceeds & Net Issue Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	[●]
2	Issue related Expenses <sup>(1)</sup>	[●]
	<b>Net Proceeds of the Issue</b>	[●]

<sup>(1)</sup> The Issue related expenses are estimated expenses and subject to change.

#### Net Issue

The Objects of the Net Issue is to raise funds for:

- Acquisition of workshop & Godown and Writer's Lounge on a long term lease basis
- Further Augment our Digital Media Content Library
- General Corporate Purpose

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

#### Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue ("Net Proceeds") are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be funded in F. Y. 2020 – 21
1.	Acquisition of workshop & Godown and Writer's Lounge on a long term lease basis	100.00	100.00
2.	Further Augment our Digital Media Content Library	80.00	80.00
3.	General Corporate Purpose	[●]	[●]
	<b>Total</b>	[●]	[●]

#### Requirement of Funds and Means of Finance

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.





For further details on the risks involved in our proposed fund utilization, please refer the “Risk Factor – 24 – The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilise the proceeds of the Issue. Any variation between the estimation and actual expenditure on these projects could result in execution delays or influence our profitability adversely.” on page no. 27 of this Draft Prospectus.

## **DETAILS OF THE FUND REQUIREMENTS**

### **1) Acquisition of R & D facility and Registered Office on a long term basis**

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on various online portals and OTT platforms. We believe that we currently need a workshop & godown for carrying out our activities and creating new content and also store our equipments and props. We have identified a property, which is currently owned by Fancy Builders Private Limited and we have entered into an agreement for long lease of the said property. Similarly, we also operate a Writer’s Lounge, where we invite professional and potential writers who are members of the Screenwriters Association and they can use this lounge at free of cost. The Writer’s Lounge serves as a potential ground for developing new stories and ideas and also increases our reach and reputation in the entertainment industry. The Writer’s Lounge is currently owned by Fancy Builders Private Limited and we have entered into an agreement for long lease of the said property.

The business being run as a proprietorship business before the incorporation of our Company, we had not regularised our arrangement for the a workshop / godown and the Writer’s Lounge as per market norms. Further, being a small and startUp Company, we do not wish to substantially increase our rent expenditure for the workshop & godown and the Writer’s Lounge, being paid to the respective owners in the near term as the same would affect our bottom line numbers materially at this stage. Hence, we have entered into an agreement dated July 30, 2020 for the workshop & godown and entered into an agreement dated July 30, 2020 for the Writer’s Lounge property, with the owners of these assets. Accordingly, we propose to pay an interest free refundable security deposit to the owner of the workshop & godown and the Writer’s Lounge of ₹ 25.00 lakhs and ₹ 75.00 lakhs, respectively, in order to compensate for the zero rent. The payment of interest free refundable security deposits is proposed to be funded from the net proceeds of this Issue. We believe this would help us secure hassle free possession of the required properties for the coming years, ensure lower operating costs and hence improve overall profitability.

### **2) Further Augment our Digital Media Content Library**

As a digital media entertainment Company, we regularly develop online content in the form of short films. As on date we have 10 short film titles which consist of 12 videos and 4 music videos under our banner and a some short films / music videos are currently in the production or post – production process. For details please refer the chapter “Our Business” on page no. 79 of this Draft Prospectus. The existing content produced and released by us aggregate to an asset creation of ₹ 260.71 lakhs which has already been capitalised in our books as part of our inventory. Further, we also have several content which is currently under-production aggregating to ₹ 150.77 lakhs of work-in-process.

As we propose to implement our strategy to launch our own web based application, we will be required to augment our online content, which we can then add to our existing intellectual property. The creation of any intellectual property in the form of either a short film or web series or music video, etc., includes congregation of many different service providers including but not limited to Actors, Directors, Camera & Lenses, Lights & Sound, Costume, Hair & Make-up, Transportation, Catering, Location & Studio rent and Editing & Special Effects team. A majority of the above services are hired on a film to film basis for which our Company is required to make regular payments.

In certain cases, we also out-rightly acquire the rights of an existing content from third parties. These acquired intellectual properties entail a lump-sum payment in lieu of the absolute rights to a content which we can then upload on our online channel portals and OTT platforms and monetise the same.

Accordingly, we intend to utilise an amount of ₹ 80.00 lakhs for the creation and / or acquisition of further intellectual property in our Company with an aim to increase our content base.

### **3) General Corporate Purpose**

Our management will have flexibility to deploy ₹ [●] lakhs, aggregating to [●] % of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and



refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or repayment of liabilities (on demand) if any or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230 (2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●] %	[●] %
2	Brokerage and selling commission <sup>(2)(3)(4)</sup>	[●]	[●] %	[●] %
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●] %	[●] %
4	Advertisement and Marketing Expenses	[●]	[●] %	[●] %
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●] %	[●] %
<b>Total</b>		[●]	[●] %	[●] %

<sup>(1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ [●]/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup> The SCSBs would be entitled to processing fees of ₹ [●]/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of [●]% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

## Appraisal and Bridge Loans

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

## Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2020 – 21.

## Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.



Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Working Capital Requirement**

Our Company currently funds its working capital needs through its internal accruals and they intend to continue to do so in the future. Hence no amount is proposed to be utilised for Working Capital from the Net Proceeds of this Issue.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations / Payment to Promoter and Promoter's Group from the IPO Proceeds**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.



## BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is [●] per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 18, 119 and 79 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

- Qualified Senior Management Team;
- Diverse and Growing Content Library;
- Global Presence;
- Writer’s Lounge;
- Scalable Business Model

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business - Our Strengths” on page no. 80 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section for the fiscal ended March 31, 2020 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the section titled “Financial Information” on page no. 119 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”)

Particulars	Basic & Diluted EPS (in ₹)
For the fiscal year ended March 31, 2020 <sup>(1)</sup>	0.14

<sup>(1)</sup> From incorporation i.e. June 20, 2019 till March 31, 2020

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year / period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year / period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 119 of this Draft Prospectus.



## 2. Price Earnings Ratio (“P/E”) in relation to the Price of [●] per share of ₹ 10 each

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at March 31, 2020	[●]

## 3. Return on Net worth (RoNW)

Particulars	RoNW (%)
For the fiscal year ended March 31, 2020 <sup>(1)</sup>	1.44%

<sup>(1)</sup> From incorporation i.e. June 20, 2019 till March 31, 2020

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit /loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

## 4. Net Asset Value (NAV)

Financial Year	NAV (₹)
NAV as at March 31, 2020	9.88
NAV after Issue	[●]
Issue Price (₹)	[●]

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

## 5. Comparison with Industry Peers

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

6. The Company in consultation with the Lead Manager believes that the Issue price of [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value i.e. [●] per share.



## STATEMENT OF TAX BENEFITS

**The Board of Directors,  
Net Pix Shorts Digital Media Limited**  
1402, Z A Towers,  
Zohra Aghadi, Yari Road,  
Versova, Andheri West,  
Mumbai – 400 061

Dear Sirs,

**Subject: Statement of possible special tax benefits available to Net Pix Shorts Digital Media Limited (“the Company”) and shareholders prepared in accordance with applicable requirements of the SEBI (ICDR) Regulations, 2018 (“SEBI ICDR Regulations”)**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2020 presently in force in India (together referred to as the “**Direct Tax Laws**”) and The Goods and Service Tax Act, 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Material Subsidiary as on date of this Draft Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

The contents of this Statement 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.

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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.





---

We hereby give consent to include this Statement in the Draft Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For B. L. Dasharda & Associates**

*Chartered Accountants*

FRN: 112615W

Sd/-

---

**CA Sushant Mehta**

*Partner*

M. No.: 112489

Place: Mumbai

Date: September 02, 2020

UDIN: 20112489AAAAHK1306



---

## Annexure

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS

Outlined below are the possible special tax benefits available to Net Pix Shorts Digital Media Limited (“the Company”) and to its Shareholders under the direct and indirect Tax Laws in force in India.

#### A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

##### 1. Direct Tax

There are no special direct tax benefits available the Company.

##### 2. Indirect Tax

There are no special indirect tax benefits available the Company.

#### B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

##### 1. Direct Tax

There are no special direct tax benefits available the Company.

##### 2. Indirect Tax

There are no special indirect tax benefits available the Company.



## SECTION VI – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 18 and 119 of this Draft Prospectus, respectively.*

#### **Global Economic Overview**

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioural changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

The economic impact is already visible in the countries most affected by the outbreak. For example, in China, industrial production, retail sales, and fixed asset investment dropped dramatically in January 2020 and February 2020. As more countries are forced to respond to the pandemic with stringent quarantine and containment efforts of the kind seen, for example, in China, Italy, and Spain, this will necessarily entail similar sharp economic activity slowdowns from closures of nonessential workplaces, travel restrictions, and behavioural changes. Initial jobless claims in the United States during the fourth week of March, for example, exceeded 6.6 million, compared with about 280,000 just two weeks before. And surveys of purchasing managers pointed to plummeting economic activity in March in the euro area, Japan, and the United States.

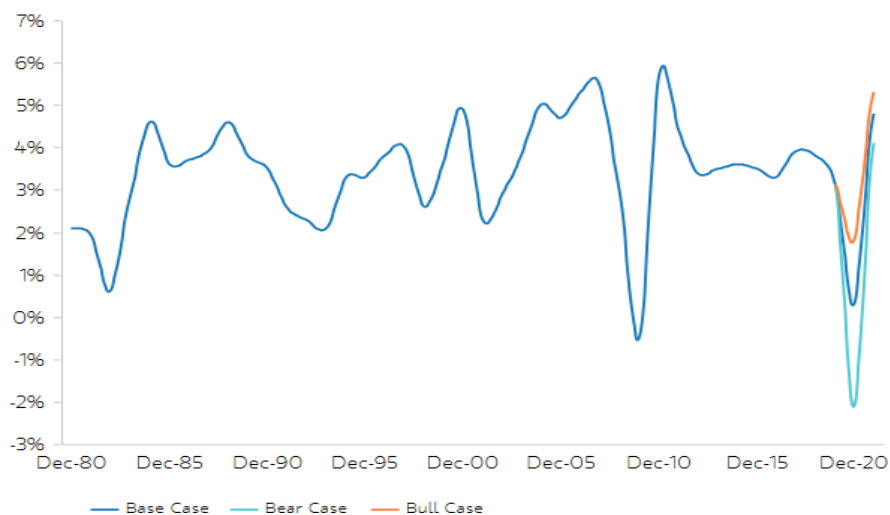
The fast deterioration of the global economic outlook as the epidemic has spread and the breakdown of the OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) agreement among oil suppliers have weighed heavily on commodity prices. From mid-January to end-March, base metal prices fell about 15 percent, natural gas prices declined by 38 percent, and crude oil prices dropped by about 65 percent (a fall of about \$40 a barrel). Futures markets indicate that oil prices will remain below \$45 a barrel through 2023, some 25 percent lower than the 2019 average price, reflecting persistently weak demand. These developments are expected to weigh heavily on oil exporters with undiversified revenues and exports, particularly on high-cost producers, and compound the shock from domestic infections, tighter global financial conditions, and weaker external demand. At the same time, lower oil prices will benefit oil-importing countries.

*(Source: World Economic Outlook Update, April 2020)*

Many uncertainties lie ahead, but assuming our base case for new infections of the novel corona virus to peak in April/May, the bulk of the economic pain could be concentrated in the first half of 2020, with the global economy contracting on an annualized basis by 0.6% and 2.1%, respectively, in the first and second quarters. If a recovery takes root in the third quarter, the global economy could rebound to 4.8% growth, year on year, in 2021.



### A Deeper Recession, but Not Depression in 2020



(Source: *Coronavirus: Recession, Response, Recovery*; Morgan Stanley Research)

Even before the coronavirus outbreak, the post-GFC global economy had been facing the triple challenge of demographics, debt and disinflation, which we last faced in the 1930s. From a big picture perspective, the coronavirus pandemic growth shock foregrounds these structural issues. On the positive side, we are already seeing an aggressive policy response across the world to shore up businesses and workers, maintain liquidity in markets and inject stimulus to create the necessary conditions for a more robust recovery from this shock to the global economic system.

(Source: *2020 Global Macro Outlook, Calmer Waters Ahead*, Morgan Stanley Research)

### Indian Economic Overview

India became the world's fifth largest economy last year, according to data from the IMF's October World Economic Outlook. When ranked by nominal GDP, the country leapfrogged France and the UK. The country's GDP growth has been among the highest in the world in the past decade – regularly achieving annual growth of between 6-7%.

(Source: <https://theprint.in/economy/india-is-now-the-worlds-5th-largest-economy-according-to-imf/369335/>)

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's nominal GDP growth rate is estimated at 12 per cent in 2019-20. The estimate for 2018-19 was 11.5 per cent. During Q1 of 2019-20, GDP (at constant 2011-12 prices) grew by 5 per cent. India has retained its position as the third largest startup base in the world with over 8,900-9,300 startups, with about 1,300 new start-ups being founded in 2019, according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 till August, taking the total tally up to 24. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 448.59 billion in the week up to November 22, 2019, according to data from the RBI.

(Sources: <https://www.ibef.org/economy/indian-economy-overview>)

Though, the Indian economy had been experiencing significant slowdown over the past few quarters, there was a strong hope of recovery in the last quarter of the current fiscal. However, the new coronavirus epidemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story. Consumption is getting impacted due to job losses and decline in income levels of people particularly the daily wage earners due to slowing activity in several sectors including retail, construction, entertainment, etc. With widespread fear and panic now increasing among people, overall confidence level of consumers has dropped significantly, leading to postponement of their purchasing decisions. Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. On the supply side, shutdown of factories and the resulting delay in supply of goods from China has affected many Indian manufacturing sectors which source their intermediate and final product requirements from China. Some sectors like automobiles, pharmaceuticals,



electronics, chemical products etc. are facing an imminent raw material and component shortage. This is hampering business sentiment and affecting investment and production schedules of companies. Besides having a negative impact on imports of important raw materials, the slowdown in manufacturing activity in China and other markets of Asia, Europe and the US is impacting India's exports to these countries as well.

Given the challenges that the businesses and people are facing currently, the Indian economy is most likely to experience a lower growth during the last quarter of the current fiscal. In case the spread of corona virus continues, growth may remain subdued in the first quarter of FY 20-21 as well. Most multilateral agencies and credit rating agencies have therefore revised their 2020 and 2021 growth projections for India keeping in view the negative impact of coronavirus-induced travel restrictions, supply chain disruptions, subdued consumption and investment levels on the growth of both global and the Indian economy.

(Sources: *Impact of Covid-19 on Indian Economy, FICCI*)

## Global Economy of Digital Media Industry

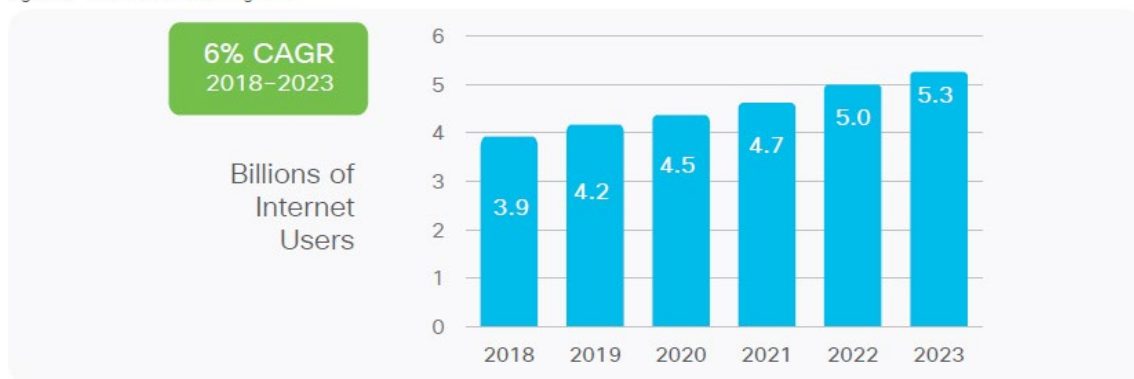
### Global Trends: Transition to On-Demand Content

Media consumption across the globe is increasingly happening in digital formats. The increase in the number of devices capable of supporting digital media along with increasing internet access speed, has provided consumers with an option to access the media content of his choice be it information, entertainment or social activity anytime, anywhere. Media consumption in the US has shown tremendous increase and has seen a significant jump from traditional media to new (digital) media. The rise of digital media players such as Netflix, Amazon, Apple TV, Roku, and Boxee, etc. are challenging the traditionally maintained supremacy of the television as the main entertainment hub.

### Global Internet Users/ Devices and Connections

Globally, the total number of Internet users is projected to grow from 3.9 billion in 2018 to 5.3 billion by 2023 at a CAGR of 6 percent. In terms of population, this represents 51 percent of the global population in 2018 and 66 percent of global population penetration by 2023.

Figure 1. Global Internet user growth



Source: Cisco Annual Internet Report, 2018-2023

While the growth in the number of Internet users is a global trend, we do see regional variations (Table 1). While the region with the highest adoption throughout the forecast period is North America (followed by Western Europe), the fastest growth is projected to occur in the Middle East and Africa (10 percent CAGR expected from 2018 to 2023).



Table 1. Internet users as a percentage of regional population

Region	2018	2023
Global	51%	66%
Asia Pacific	52%	72%
Central and Eastern Europe	65%	78%
Latin America	60%	70%
Middle East and Africa	24%	35%
North America	90%	92%
Western Europe	82%	87%

Source: Cisco Annual Internet Report, 2018-2023

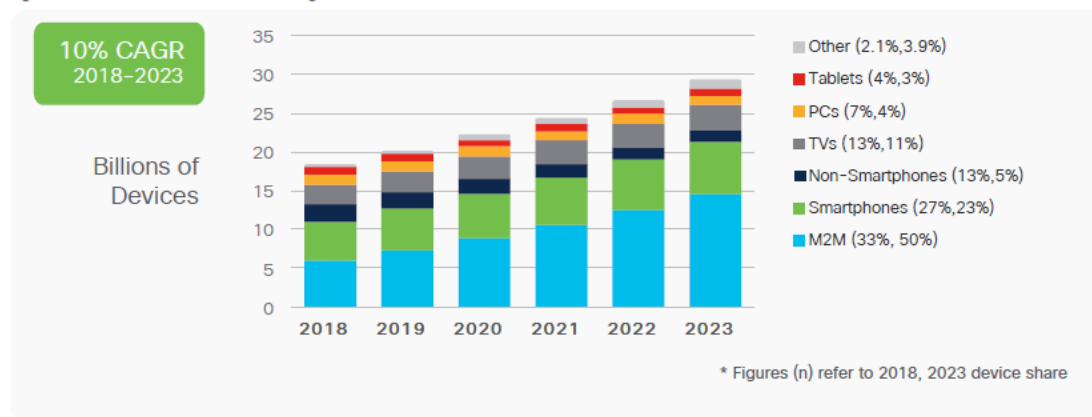
### Shifts in mix of devices and connections

Globally, devices and connections are growing faster (10 percent CAGR) than both the population (1.0 percent CAGR) and the Internet users (6 percent CAGR). This trend is accelerating the increase in the average number of devices and connections per household and per capita. Each year, various new devices in different form factors with increased capabilities and intelligence are introduced and adopted in the market.

Smartphones will grow at a 7 percent CAGR (increasing by a factor of 1.4). Connected TVs (which include flat-panel TVs, set-top boxes, digital media adapters [DMAs], Blu-ray disc players, and gaming consoles) will grow at a little less than a 6 percent CAGR, to 3.2 billion by 2023. PCs will continue to decline (a 2.3 percent decline) over the forecast period. However, there will more PCs than tablets throughout the forecast period and by the end of 2023 (1.2 billion PCs vs. 840 million tablets).

By 2023, the consumer share of the total devices, including both fixed and mobile devices, will be 74 percent, with business claiming the remaining 26 percent. Consumer share will grow at a slightly slower rate, at a 9.1 percent CAGR relative to the business segment, which will grow at a 12.0 percent CAGR.

Figure 2. Global device and connection growth



Source: Cisco Annual Internet Report, 2018-2023

(Source: Cisco Annual Internet Report 2018-2023)

### Global Entertainment & Media Outlook

Consumers are embracing the expanding opportunities to enjoy media experiences uniquely tailored to their own personal preferences, contexts and schedules. Increasingly mobile and never idle, empowered consumers around the world want to exert greater control over how and when they experience media. They do so by managing their media consumption via smartphones and an expanding range of devices, by curating their personal selection of channels via over-the-top (OTT) services, and by bringing more digital media content into their lives via smart homes and connected cars.

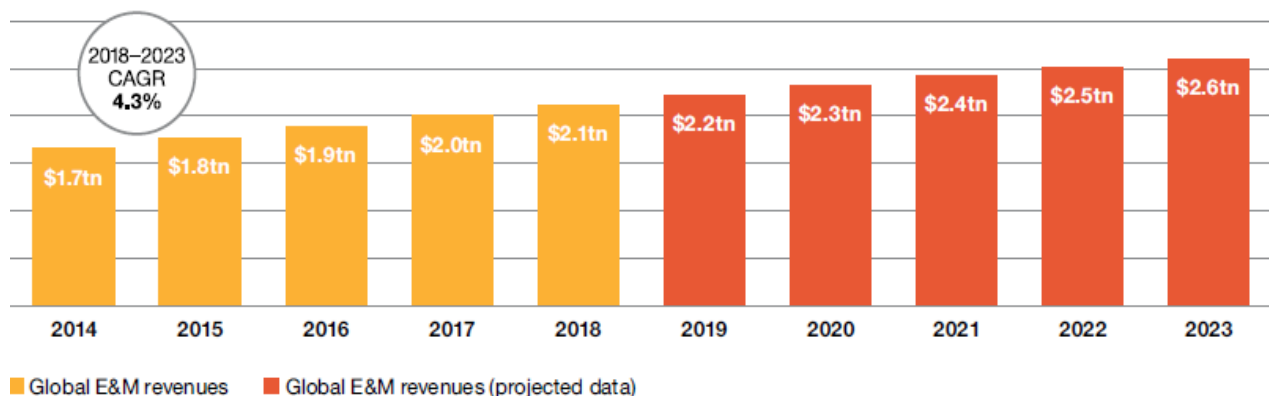
This activity is driving steady growth. As shows, industry spending will continue to rise at a rate faster than overall economic growth, at a projected 4.3% CAGR through 2023.





### A rising tide

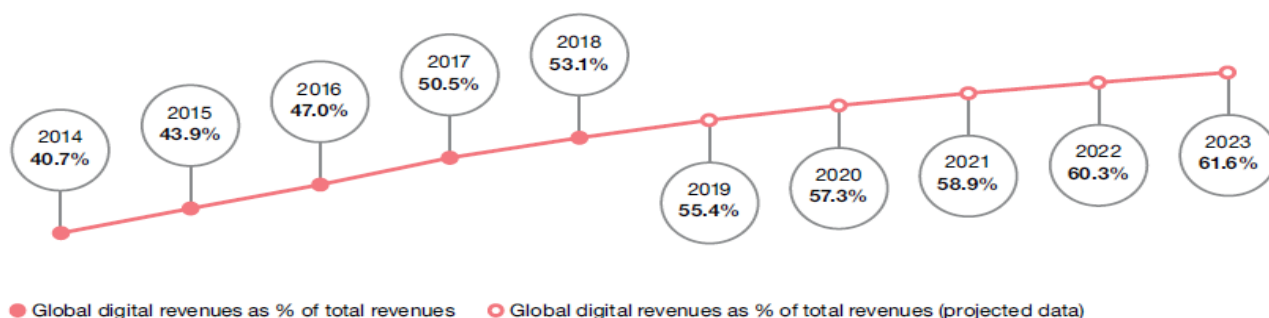
Revenues for the global entertainment and media (E&M) industry continue to rise steadily.



Source: PwC Global Entertainment & Media Outlook 2019–2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

### Inexorable digitisation

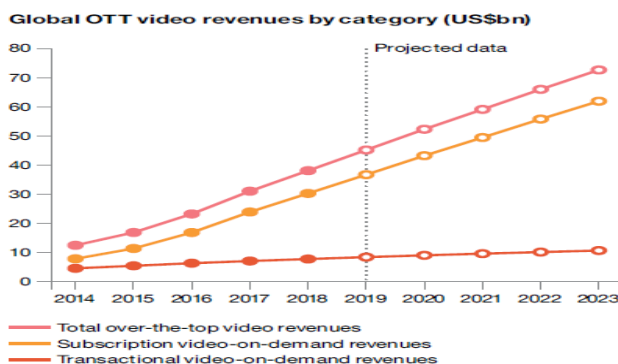
With each passing year, digital revenues account for a larger share of the E&M industry.



Source: PwC Global Entertainment & Media Outlook 2019–2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

One is the trend for consumers to reject the bundles of channels sold to them by cable or satellite companies and instead construct their own ad hoc bundles made up of various OTT services — buying several complementary streaming offerings to cover the full gamut of their tastes and interests. Although it is still dwarfed by cable and satellite spending, global OTT revenue hit US\$38.2bn in 2018, and is forecast to almost double by 2023.

The great unbundling is happening worldwide. Disney’s OTT platform Disney+, slated to launch in November 2019, will target mainstream audiences with a massive family-friendly content portfolio. In India, subscription television service Tata Sky is now available on mobile phones, joining a rush of broadcasting houses and content creators in the country offering OTT services, including national powerhouse Balaji Media. In Japan, the US-based OTT startup DAZN now controls the rights for Japanese football and baseball. All of these companies enable active consumption by allowing people to curate their own bundles and then stream content at their convenience



Source: PwC Global Entertainment & Media Outlook 2019–2023, [www.pwc.com/outlook](http://www.pwc.com/outlook)

(Source: PwC Global Entertainment & Media Outlook)



## Global Online Video Platform Market Trends:

The increasing internet penetration, along with the boosting sales of smartphones, laptops, tablets, personal computers (PCs) and smart televisions (TVs), represents one of the significant factors impelling the market growth. Moreover, the growing popularity of online videos over conventional methods of viewing video content is resulting in the increasing expenditure on online advertisements across the globe. Furthermore, the trend of live streaming is aiding in the management and delivery of video content to the targeted audience in a cost-effective manner. As a result, numerous e-commerce companies are going live on platforms such as Facebook, YouTube and Instagram to endorse their products. Looking forward, the market value is projected to reach US\$ 1,335.1 Million by 2024, expanding at a CAGR of around 13.5% during 2019-2024.



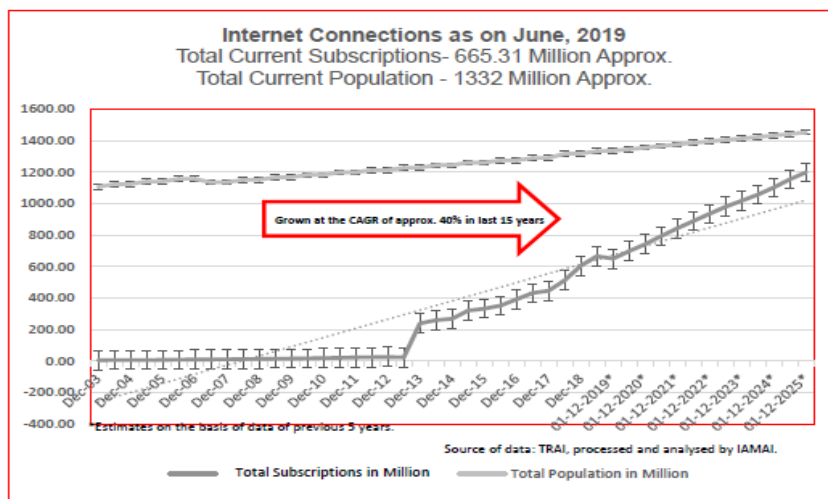
(Source: <https://www.imarcgroup.com/global-online-video-platform-market>)

## Indian Economy of Digital Media Industry

### India Internet Users

India, today is home to the second highest number of the internet users with estimated numbers of more than 500 million.

Figure 1 – Internet Penetration – Dec 2003 to Dec 2025

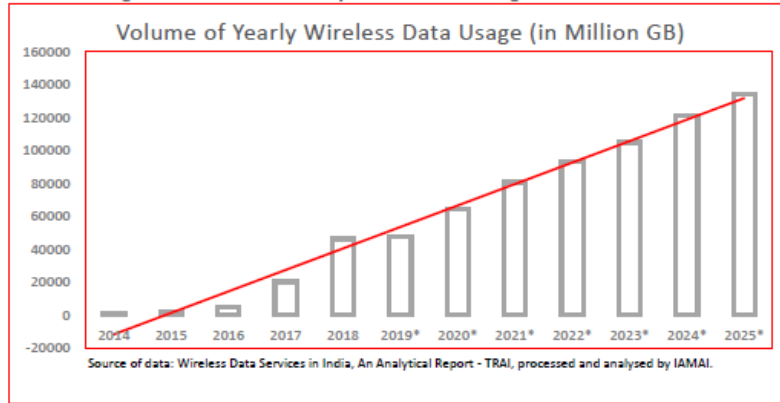


Number of wireless subscriptions as of June 2019 was 1165 million out of which 643 million are wireless internet subscriptions as well. Consumption of total wireless data usage during the quarter of April-June, 2019 amounts to approximate 17940576 TB, showing an ever-increasing trend in its usage.35 Data consumption presently at the average rate of 9.8 GB36 per month/ device and is expected to touch 24 GB37 per month/ device by 2025. The revenue generated only from wireless data usage for 2018 was \$8410 million and estimated to reach up to \$15952 million by 2025.

Lowering of mobile data costs has allowed the growth in its user base and rising per capita data consumption, which is a force multiplier for the companies in the digital sector.

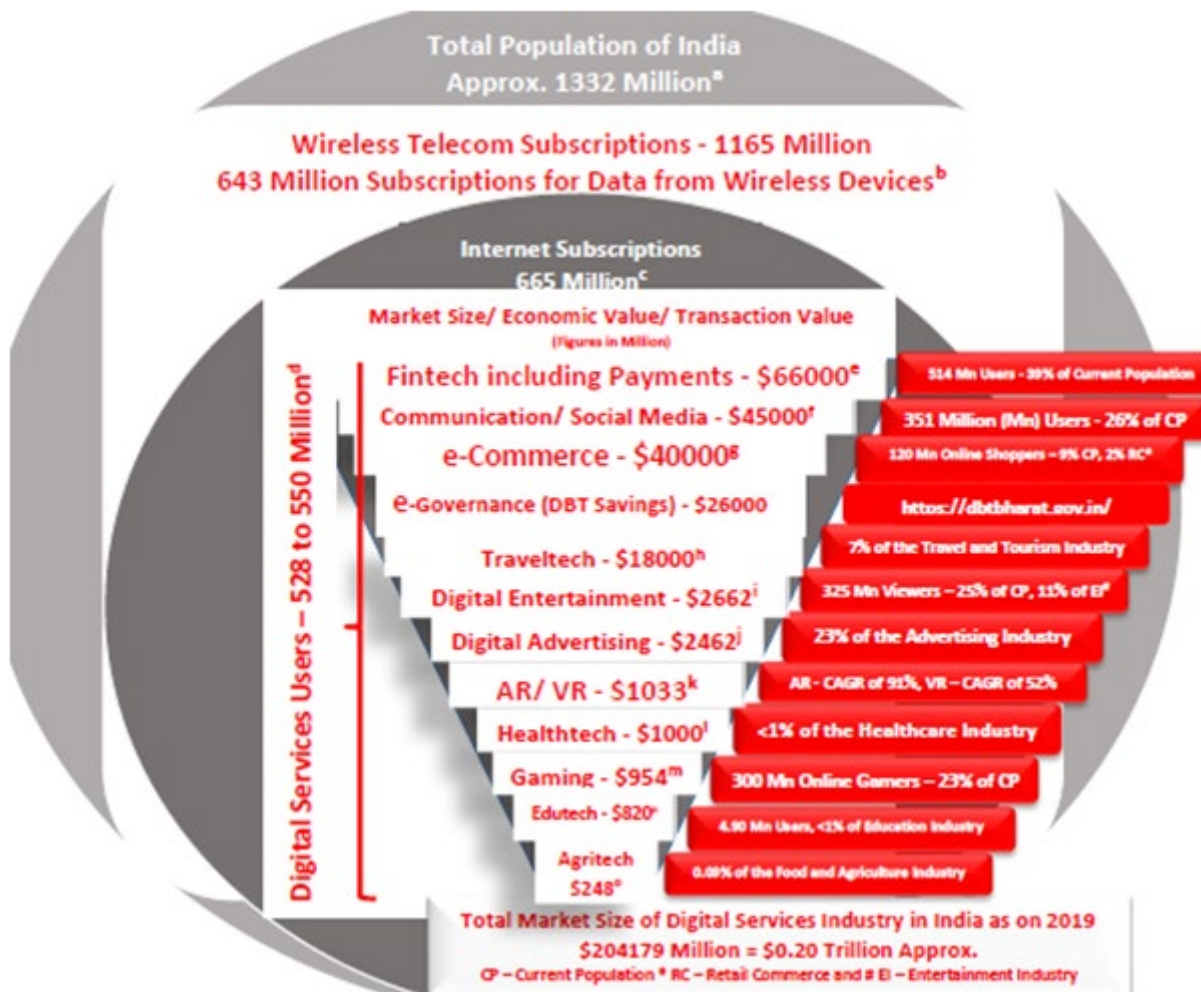


Figure 2 – Volume of Yearly Wireless Data Usage - 2014 to Dec 2025



(Source: IMAI – Digital India – Present 2025-2035)

### Market Size/ Share/ Population Penetration of Digital Sectors as of 2019



(Source: IMAI – Digital India – Present 2025-2035) cut the source part

### Indian Media and Entertainment

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. Proving its resilience to the world, Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenue. The industry has largely been driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.



Media is consumed by audience across demographics and various avenues such as television, films, out-of-home (OOH), radio, animation, and visual effect (VFX), music, gaming, digital advertising, and print.

The Indian advertising industry is projected to be the second fastest growing advertising market in Asia after China. At present, advertising revenue accounts for around 0.38 per cent of India's gross domestic product. By 2021, Indian media and entertainment industry will reach ₹ 2.35 trillion.

India ranks 15 in the world in the music industry and is expected to enter the top 10 music markets by 2022.

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

The digital segment continued to be the torchbearer of growth of the industry in FY19, with a 43.4 per cent growth taking the overall segment (including digital advertising and subscription revenues from OTT video and audio) to INR173 billion in FY19. The rapid growth in infrastructure led to a spurt in demand for content and the resultant consumption was driven by an equal focus on the supply of digital content by platforms. Within the digital segment, the advertising sub-segment grew by approximately 38 per cent in FY19, with digital now forming a key part of media strategies across industry verticals. The growth in regional consumption also led to the emergence of new avenues for digital advertising. The digital subscription sub-segment is also starting to emerge as significant, especially for the fast growing OTT video.

## Size of Indian media and entertainment industry

### Industry performance - Historical

Overall industry size (INR billion)	FY15	FY16	FY17	FY18	FY19	Growth in FY19 over FY18	CAGR (FY15-FY19)
<b>Digital*</b>	47	65	86	121	173	43.4%	38.5%
<b>TV</b>	490	552	595	652	714	9.5%	9.9%
<b>Print</b>	268	288	308	319	333	4.5%	5.6%
<b>Films</b>	127	137	145	159	183	15.1%	9.6%
<b>Animation and VFX</b>	47	53	62	74	88	18.7%	17.2%
<b>Gaming</b>	24	28	32	44	62	41.6%	26.4%
<b>OOH</b>	22	26	29	32	34	5.0%	11.2%
<b>Radio</b>	20	23	24	26	28	6.2%	8.6%
<b>Music</b>	10	11	13	14	17	15.3%	13.0%
<b>Total</b>	<b>1,055</b>	<b>1,183</b>	<b>1,295</b>	<b>1,440</b>	<b>1,631</b>	<b>13.2%</b>	<b>11.5%</b>

Source: KPMG in India analysis, 2019

\*Beginning FY18, the OTT video and audio subscription revenues are being recognized under the digital segment. Prior to FY18, the OTT video and audio subscriptions were nominal

Advertising - Overall industry size (INR billion)	FY15	FY16	FY17	FY18	FY19	Growth in FY19 over FY18	CAGR (FY15-FY19)
<b>Digital advertising</b>	47	65	86	116	160	37.6%	35.8%
<b>TV</b>	160	184	203	224	251	12.1%	11.9%
<b>Print</b>	180	192	204	211	221	5.0%	5.3%
<b>OOH</b>	22	26	29	32	34	5.0%	11.2%
<b>Radio</b>	20	23	24	26	28	6.2%	8.6%
<b>Total</b>	<b>428</b>	<b>490</b>	<b>547</b>	<b>609</b>	<b>693</b>	<b>13.9%</b>	<b>12.8%</b>

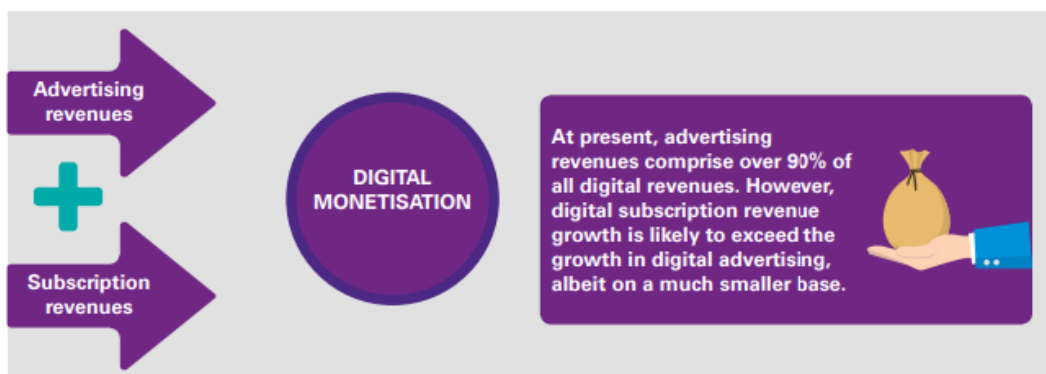
Source: KPMG in India analysis, 2019

The digital market in India is set to become the second largest within media and entertainment by FY22 when it reaches INR386 billion. It will move ahead of print and be behind TV in its aggregate revenue. By FY24, the digital market will be half that of TV in the Indian economy.



## Components of digital monetisation

Digital monetisation can be achieved in two ways:



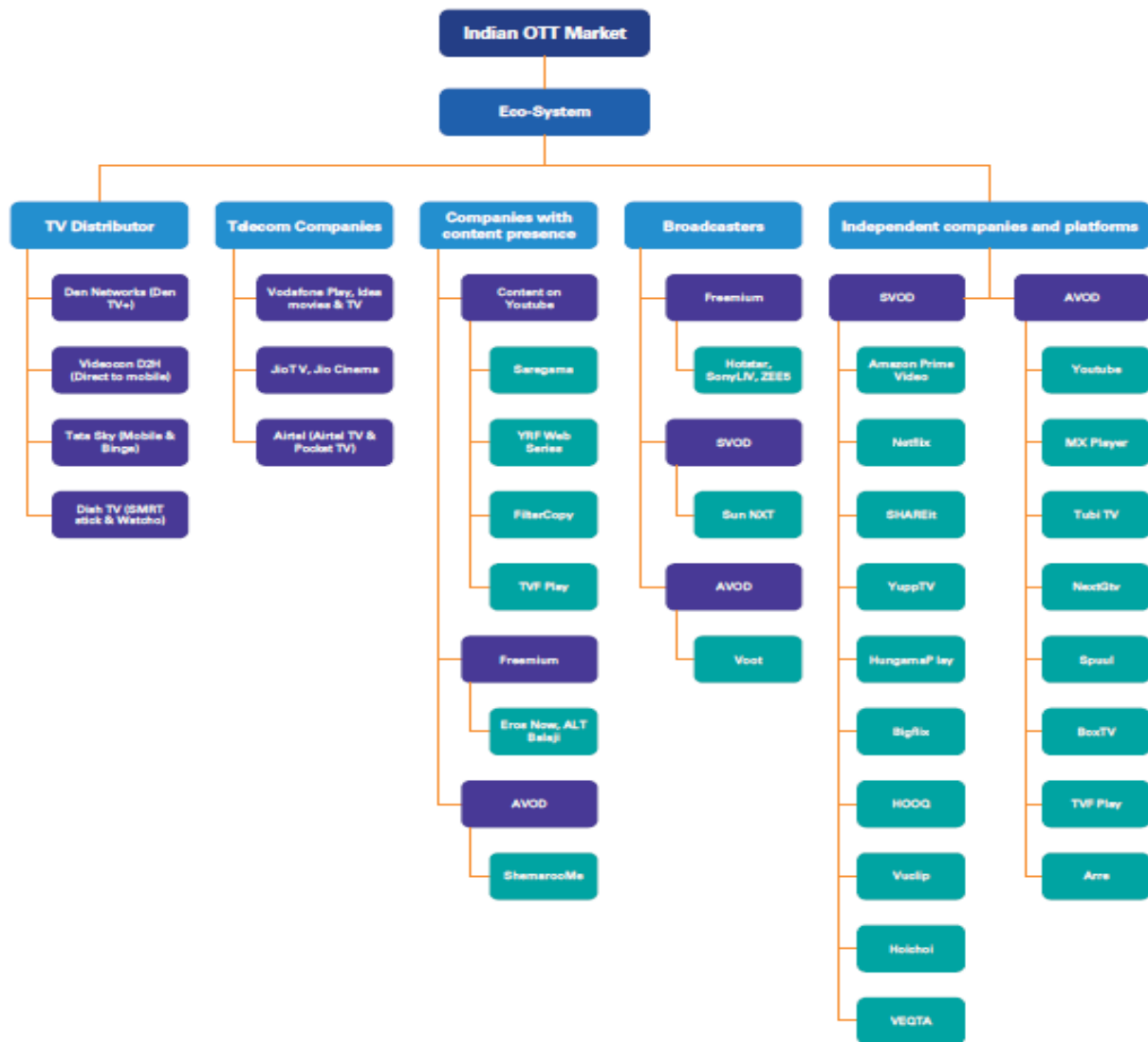
## Digital revenue projections (FY20-FY24)

INR bn	FY19	FY20P	FY21P	FY22P	FY23P	FY24P	CAGR (FY19 – FY24)
<b>Digital advertising</b>	160	210	266	333	423	539	28%
<b>Audio streaming subscriptions</b>	1	2	3	4	6	9	48%
<b>OTT video platform subscriptions</b>	12	22	34	48	62	74	44%
<b>Total</b>	<b>173</b>	<b>234</b>	<b>303</b>	<b>386</b>	<b>492</b>	<b>621</b>	<b>29%</b>

Source: KPMG in India analysis, 2019

## Indian OTT market

Of the digital content landscape in India, the OTT video sub-segment has seen the maximum traction in the last couple of years. With more than 30 OTT video platforms in the country, and a rapid growth in video consumption, the landscape has evolved rapidly across the entire value chain. Whether it is large broadcasters global digital video majors, traditional content creators or telecom companies, everyone has jumped onto the OTT bandwagon, in order to acquire the elusive digital customers who can potentially yield great value over the long run. A snapshot of the OTT ecosystem is outlined below



The subscription revenues have registered a nearly 3x increase in FY19, totalling INR12 billion, with contributions from both direct subscription revenues of OTT platforms, as well as those from the telco partnerships. Direct subscriptions contributed around 65-70 per cent and the rest were realizations from telco partnerships.

Our industry discussions indicate that there could be close to 11-14 million direct paid subscriptions in FY19, including Amazon Prime subscriptions. Owing to the relatively higher price points and the wider e-commerce appeal associated with Netflix and Amazon Prime respectively, these two platforms accounted for a bulk of the direct subscription revenues. Owing to a robust slate of live sports, international library and live TV content, Hotstar also contributed significantly to the overall direct subscription revenues of the industry in FY19.

We expect the direct subscriber base in India to rise to as much as 55-65 million by FY24, driven by availability of high quality content curated for different audiences; and continued growth in the digital infrastructure and the digital payments landscape in the country.





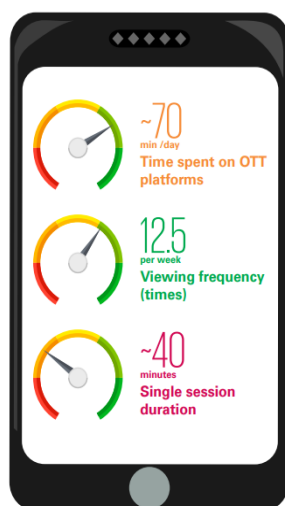
## OTT video platform revenue projections

Revenues (INR bn)	FY18	FY19	FY20P	FY21P	FY22P	FY23P	FY24P	CAGR (FY19-24)
OTT video platform advertising	17	27	43	62	81	98	110	33%
Digital video subscription	4	12	22	34	48	62	74	44%
<b>Total digital video market</b>	<b>21</b>	<b>39</b>	<b>66</b>	<b>96</b>	<b>129</b>	<b>160</b>	<b>184</b>	<b>37%</b>

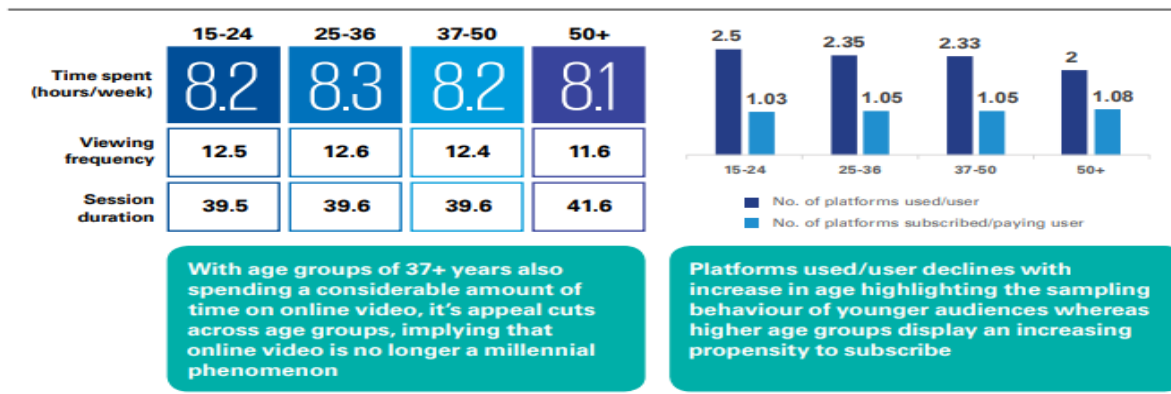
Source: KPMG in India analysis, 2019

(Source: KPMG in India's Media and Entertainment report 2019)

The online video market in India has evolved into a mainstream entertainment destination for Indian masses. The respondents spent approximately 70 minutes per day or 8.2 hours per week on online video platforms on an average, with a viewing frequency of 12.5 times per week and a session duration of nearly 40 minutes per session.



### Digital video is no longer restricted to young audiences



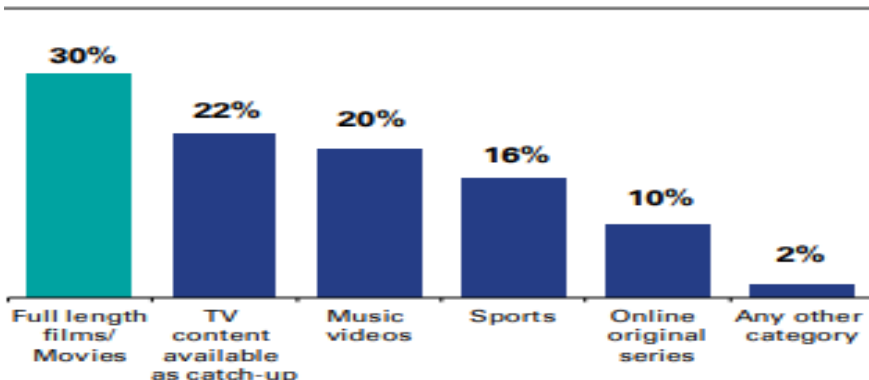
Traditional content categories have dominated consumption preferences on online video platforms. The results from our survey revealed that movies and related content (such as music videos) were preferred by nearly half of the respondents, with catch up TV content following suit with 22 per cent of respondents preferring the same. Sports was significant at 16 per cent in terms of preferences as well.

While platforms have been investing heavily in creation of original content designed for digital audiences, the survey revealed that library content still dictates current consumption trends. This could potentially be due to the limited supply of originals (less than 1 per cent of overall content available on most broadcaster driven and global platforms) in contrast to library content that forms a bulk of the content available on online video platforms. For example, Eros Now



has one of the biggest libraries of movies (more than 12,000 movie titles) and Zee5 has great depth of TV content (more than 50,000 hours). Considering this skew in availability of original content, user preference at 10 per cent for such online originals was observed to be significantly high

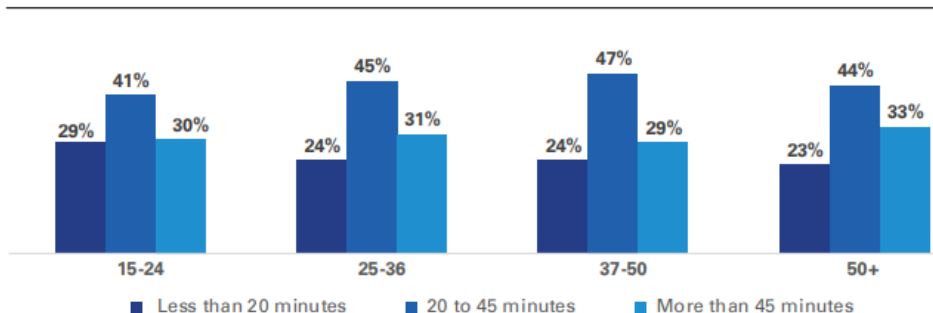
### Most preferred content category



The average session durations captured through our survey gave insights into the trends around long form and short form content consumption across online video platforms. While nearly 40-45 per cent of the respondents preferred the 20-45 minute session duration, the >20 minute (short form) and <45 minute (long form) session durations were also significant.

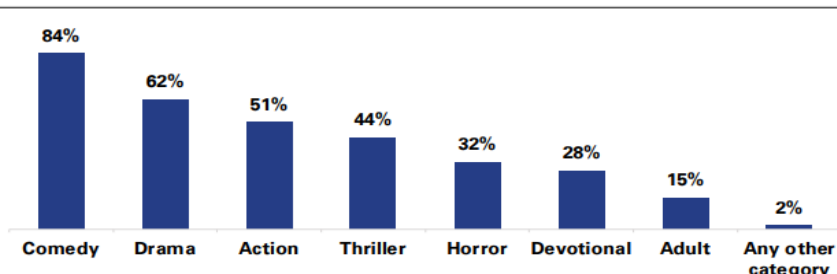
The age-wise analysis pointed to the fact that shorter session durations were more popular with the younger audiences, potentially due to lower attention spans. Online video platforms need to be cognizant of these trends, and adopt content strategies which have a healthy mix of both short form and long form content to cater to various audience niches.

### Average session durations



When the survey respondents were asked about their genre preferences, it was observed that comedy dominated across age groups and geographies. Survey results also revealed that viewers in metros had a higher penchant for action and horror compared to the others. Age-wise analysis of genre preferences also indicated that the proclivity for devotional and drama genres was increasing with age.

### Genres of content watched (% of total respondents)

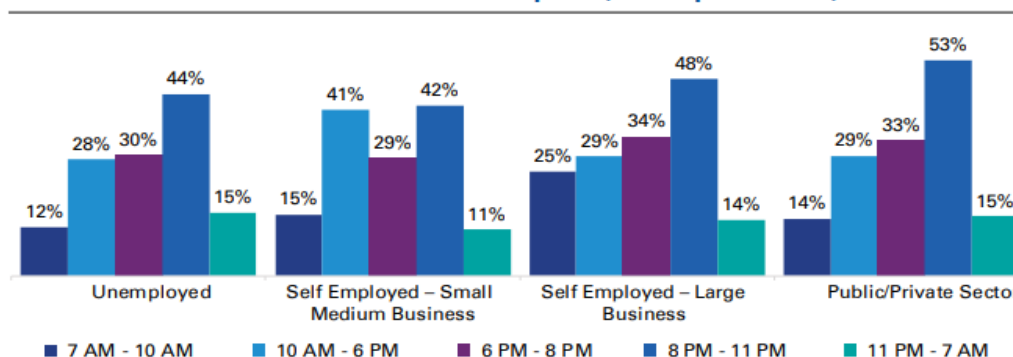


The flexibility of watching online video on smartphones has resulted in a relatively distributed content consumption pattern throughout the day. This was corroborated in our survey results when the time bands for online video consumption were analysed across respondents in different professions. It was observed that at least 12 per cent of the respondents in any profession watched online videos during morning commute time (7 a.m. – 10 a.m.). This number more than doubled for the evening commute time (6 p.m. – 8 p.m.) with more than 29 per cent respondents preferring



this window. Contrary to common conceptions, it was also found that a significant chunk of users (more than 28 per cent of the respondents) watch video content during the traditional work hours (10 a.m. – 6 p.m.). With video consumption spreading out evenly across multiple time slots, online video platforms could look to maximise consumer engagement by having a content strategy that caters to consumer needs as per the time of the day

**Preferred time slots for online video consumption (across professions)**

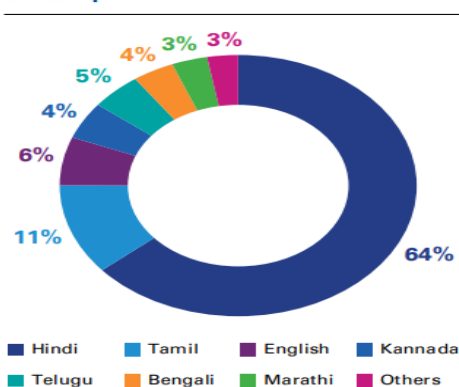


With the internet and smartphone penetration in India reaching a critical mass, access to OTT platforms has become widespread across different cultures, regions, and languages. In order to cater to this wide audience base, platforms have been increasingly providing personalised content and experiences. One of the important aspects of this personalisation where the platforms have been investing heavily, is content creation in different Indian languages.

Our survey revealed that while Hindi dominated the online video consumption language preference with 64 per cent of the respondents alluding to the same, nearly 30 per cent of the overall respondents preferred consuming online video content in vernacular/regional languages. A significant 20 per cent of the preference was for South India based languages, clearly outlining the importance of South as an important market when it comes to content creation/market expansion decisions.

The preference for English was at 6 per cent, lower than the English speaking population in India, which is close to 12-13 per cent

**Language preference for online video consumption**



(Source: KPMG- Unravelling the digital video consumer)

### Market Dynamics

The Indian Media and Entertainment (M&E) sector reached ₹ 1.82 trillion (US\$25.7 billion) in 2019, registering a growth of 9% as compared to 2018. With its current trajectory, the M&E sector in India is expected to cross ₹ 2.4 trillion (US\$34 billion) by 2022, at a CAGR of 10%.

While television and print retained their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector. Digital subscription revenues more than doubled from 2018 levels and digital advertising revenues grew to command 24% of total advertising spend.



The sector continues to grow at a rate faster than the GDP, driven primarily by growth in subscription-based business models and India's attractiveness as a content production and post production destination.

The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. With a population of 1.3 billion, a tele-density approaching 89% of households, 688 million internet subscribers and nearly 400 million smartphone users, India's telecom industry is poised to become the primary platform for content distribution and consumption. India ranks as one of the fastest-growing app markets globally, where entertainment apps are driving significant consumer engagement.

Online gaming retained its position as the fastest growing segment on the back of transaction-based games mainly fantasy sports, increased in-app purchases and a 31% growth in the number of online gamers to reach around 365 million.

In 2019, digital media grew 31% to reach ₹ 221 billion and is expected to grow at 23% CAGR to reach ₹ 414 billion by 2022. Digital advertising grew 24% to INR 192 billion driven by increased consumption of content on digital platforms and marketers' preference to measure performance. SME and long tail advertisers increased their spends on digital media as well. Pay digital subscribers crossed 10 million for the first time as sports and other premium content were put behind a paywall. Consequently, subscription revenue grew 106% to ₹ 29 billion. Digital consumption grew across platforms where video viewers increased by 16%, audio streamers by 33% and news consumers by 22%.

By 2020, OTT subscription market will approximate 10% of the total TV subscription market (without, however, considering data charges). We estimate over 40 million connected TVs by 2025, which will provide a huge opportunity for content creators to reach family consumers. Better bandwidth will drive large screen consumption. By 2025, 750 million smart phone screens will also increase the demand for regional, UGC and short content, creating a short video ecosystem that can create significant employment. The battle for content discovery will intensify and move to the unified interface.

(Source: <http://www.ficci.in/pressrelease-page.asp?nid=3667>)

### **Government Initiatives**

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

The Government of India has supported M&E industry's growth by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

### **Road Ahead**

Indian M&E industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate.

Growth is expected in retail advertisement on the back of several players entering the food and beverages segment, E-commerce gaining more popularity in the country, and domestic companies testing out the waters. Rural region is also a potentially profitable target.

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



## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 18, 119 and 140 respectively, of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Net Pix Shorts Digital Media Limited and Group Entities, as the case may be.*

### Overview

Our business was originally being run as a proprietorship named M/s. First Step Entertainment Capital. Further, our Company was incorporated on June 2019, as a public limited company under the name Net Pix Shorts Digital Media Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai with a vision to corporatize the business. The business takeover of M/s. First Step Entertainment Capital (Proprietor Mr. Danish Zakaria Aghadi) was effected along with the incorporation of the herein mentioned Company such that our Promoter, Mr. Danish Zakaria Aghadi was allotted 16,00,000 equity shares in lieu of his proprietor capital through the Company's first Memorandum.

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on various digital online portals and OTT platforms. The online digital media industry is a continuously evolving technological industry and we endeavour to exploit these technological advances to reach audiences in India and globally with entertaining, socially relevant and heart-felt content.

Our objective is to offer a platform for enabling digital online entertainment by creating and / or procuring short content in order to make our platform a preferred choice for short content audiences. We started our online content distribution through the internationally renowned 'YouTube' portal and our channel – "Net Pix Shorts" went live on January 08, 2018. Currently, we have released 10 titles consisting of 12 videos on our YouTube channel aggregating to 154.94 minutes of content, which has received approximately 3,10,72,405 aggregate views as on September 05, 2020. We have also received the Silver Creator award from YouTube for crossing 1,00,000 subscribers and currently, we have having 2,46,000 subscribers to our channel. As on date of this Draft Prospectus, we also have 8 short films which are under production aggregating to approximately 155.84 minutes of content. Besides, some of our videos are also uploaded on various other digital online portals like Hungama Play, Sony Liv, Mx Player, Shorts TV and Hotstar, either directly or through our media partners.

We have recently launched our own music channel on YouTube – 'Net Pix Raw Music' which went live August 14, 2020. The idea behind the music channel is to invite new and young musicians to showcase their talents on a global platform, where we offer them an online platform through our channel partners and OTT platform arrangements. As a newly launched channel, we have uploaded four (4) music videos aggregating to 15.70 minutes of content and are currently in process to add more music content to this channel. These four (4) titles on this channel have received an aggregate of 4,10,650 views as on September 05, 2020. Having recently launched the channel, we already have more than 1,53,000 subscribers on Net Pix Raw Music. This music channel provides an open platform for budding talents who are given an opportunity to display their content of songs and music videos made with fresh ideas and ambitions.

Further, as part of our growth strategy, our Company is in the process of developing its own digital application – App, for mobiles, PCs and other devices, where we can upload our videos and music. This App is intended will be in line with the various online digital media platforms like Hunagma Play, Alt-Balaji, Zee5, Voot, etc.

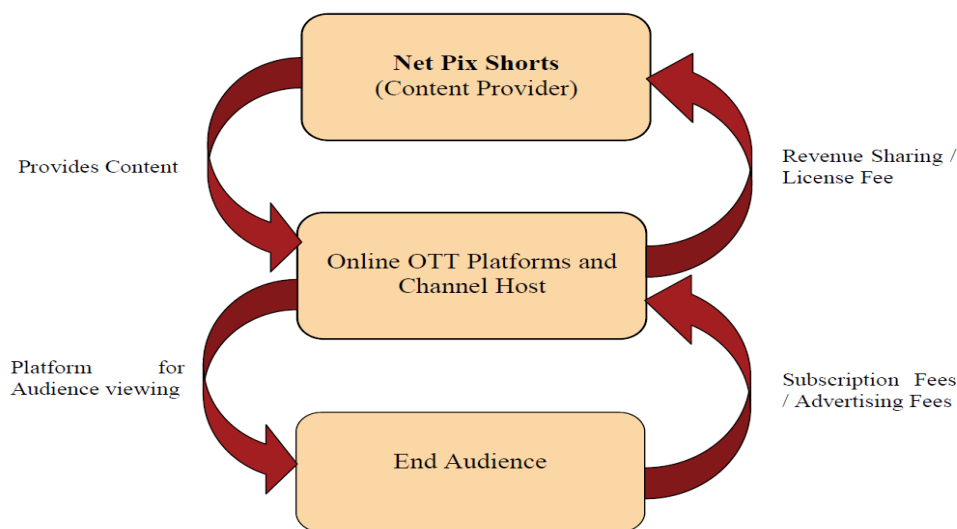
### Revenue Model

Our Company is a growing establishment in the digital online entertainment segment and we exploit various revenue streams available in the digital media business. The success of our videos is primarily measured in terms of number of views recorded by the online platform which in turn is the criterion for the revenue from such video. The higher the no. of views, the higher the revenues generated. Difference portals and OTT platforms have different criteria and rates for calculating the revenues per view.

Besides, the above, we receive and broadcast advertisements in between our video and the revenue of such advertisements are shared between the online channel partners and our Company. Our online channel partners pay us a



consolidated amount periodically which includes the revenue from no. of views as well as the advertising revenue in between the videos. Monetization of content includes deploying content on online digital portals and OTT platforms so as to enable them to generate view based, advertising & other related revenue from our content. The revenue is then shared by these portals and OTT platforms with us.



We also licence out our videos to third parties on a non-exclusive basis which provides us a licensing fee. We currently have entered into a licence agreement for international distribution of 6 of our videos - Sameera, Framed, My Mother is a Liar, Kirdaar, Blossom and New Born Mother in the South Asian region. Some of the times these contents are even licensed / hosted as a bundle or that they may be used with inter-linkages. Further, in certain cases we also generate revenue from outright sale of a short film for a one time lump sum payment in lieu of absolute transfer of assignment of such short film.

Our Company believes that in our early stages of business, we need to build a strong content base, develop an Over-the-Top (OTT) platform and also build a strong audience base that view, enjoy and endorse to our short films. Over time, we intend to generate revenue through subscription fees for registration of our OTT platform.

Our company was recently incorporated and our 1<sup>st</sup> financials for the year ended March 31, 2020 has shown positive operating performance, wherein our Sales, EBIDTA and Profit after Tax were ₹ 18.37 lakhs, ₹ 6.79 lakhs and 2.28 lakhs respectively.

## OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths which (i) add value to all stakeholders in the movie value chain, (ii) generate customer loyalty and (iii) position us well for future growth.

Our key competitive strengths are set out below:

### ***Qualified Senior Management Team***

We are a concise organization with our Directors and other Key Managerial Personnel taking the lead in day to day business activities. The dedication to build a successful organization percolates to each department and employee. Our Board of Directors comprises individuals with significant experience across, film making and the media & entertainment industry. Our Promoter, Mr. Danish Zakaria Aghadi has approximately 4 years experience in this industry and heads the creative team, along with managing the day to day business of our Company.

Further our Promoter-Directors are supported by a team of well qualified and experienced professionals. We believe that our management team's experience and their understanding of the Digital Media business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page no. 103 of this Draft Prospectus.





### ***Diverse and Growing Content Library***

We believe that we have a diverse Content Library, which is growing continuously with the addition of new releases. We believe this enables us to distribute to platforms catering to a wide range of audiences. Our Company currently has a content library consisting of 10 titles and 4 music videos. All our current contents are created by us i.e, by our in house production team. Our major focus is on bringing the innovation in our content, give crystal clear message and making it audience focused. Our library has content which we believe will appeal to meant for audience of varied demographics in India and outside India. We have endeavoured to touch on various social subjects in today's society, including loneliness, motherhood, love & romance and LGBT relations, to name a few, and will continue to address these topics through the digital media platform. Also, certain of our short films have received nominations and were the official selection at various film festivals and academies.

We have also diversified our content by recently launching a dedicated music channel in the name and style of Net Pix Raw Music on YouTube. With this channel, our Company has undertaken to embrace all the content made by the budding artists with open arms and no biases, except for quality of the content. This music channel is an open platform for offering budding talents an opportunity to display their content of songs and music videos made with fresh ideas and ambitions.

### ***Global Presence***

In the business of Digital Media Publishing, a strategic marketing approach is important which is focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience and ultimately, to drive profitable customer action. As a startup company, we still have a global presence, mainly in the south asian region. Further, our Company's channel, Net Pix Shorts has been accepted into the YouTube Partner Program by YouTube which is worldwide streaming video application. Once we upload our video on our channel in YouTube it can be view by anyone across the world. As of this Draft Prospectus, we have 247k subscribers on our YouTube Channel. Besides, certain of our videos & short films are also available the other platforms like Hungama Play, Sony Liv, Shorts TV, Mx Player and Hotstar, and they can be viewed by viewers across many countries worldwide as they are available on the online through the internet.

### ***Writer's Lounge***

We have a writer lounge, where we invite professional and potential writers who are members of the Screenwriters Association and they can use this lounge at free of cost. The idea of writer lounge is to help the writers of all ages and genres to come, sit and write freely. A writer can pitch his / her idea / stories to us and if we like them we adopt these stories and help them to be produced under our banner.

### ***Scalable Business Model***

Our business model is technology driven and comprises of optimum utilization of our ability to put together a successful team for our creative short films, efficient working of our marketing team, management expertise in identifying scripts, acquiring new OTT platform and online digital partners and customers, budgeting the production of the short films and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us not only since our incorporation but also in the Erstwhile Proprietorship firm. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the exponential online digital possibilities open to us.

## **OUR STRATEGY**

Our overall strategy is structured around our Content and its successful exploitation to ensure that it can be monetized through diversified platforms in India and on a worldwide basis. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability.

The key elements of our strategy are as follows:

### ***Scaling up Content***

Our Company is the business of creating short films and content on various online digital media platforms and we have a constant need to add / scale-up our contents as to attract more and more audience of different demographic group. The



contents that are being published over various online portals and OTT platforms are either created by us, i.e. through in-house production, or could be acquired through outright purchase or through syndicated method. At present, all the contents that are published by us are in-house production. In order to expand our content library, we may buy and own the content and their copy rights through an agreement with assignor and hence the publishing revenue is fully accrued to us.

### ***Diversify our Business Portfolio***

Based on our view of entertainment consumption patterns emerging over the last few years, we intend to expand further into new media specific content including web series, music videos, advertisements and other feature films and at the same time expanding our presence in the short films segment. We have also recently launched a dedicated music channel which we believe will to enhance our presence in the entertainment industry. The diverse addition to our content library, each year, is the result of a planned content acquisition strategy and is based on growth vision that our Promoter has for our Company. Further, in the long term, we also intend to expand or venture in to production or co-production or financing into production of full length films, which will enhance our position as a production house with continuous innovation in process and better understanding of the viewership trend.

### ***Development of Application***

With increasing content and with an aim to increase our revenue, we intend to develop our own application for an OTT platform, where all our videos, music videos and short films will be available to view or download based on a periodic subscription fee. This OTT platform will be available to our viewers over various devices including mobiles, laptops, tabs, Smart TVs and / or desktop by downloading its application and registering on the same. This OTT platform is already under development and is expected to launch shortly. Our in-house OTT platforms will also enable us to better gauge the likes and dislikes of our viewers, who will have the option to give their opinion regarding our videos and any suggestions for the same.

### ***Reduce Operational expenses to increase profitability***

A significant portion of our expenses are incurred towards rent paid for the Writer's Lounge and for the workshop & godown that we use for our operations. We have proposed to utilize part of the funds from this Issue to give a one-time lumpsum security deposit to the owner(s) of the above properties in compensation of monthly rent. We believe this will help us in reducing or rental expenses and positively affect our bottom-line, while continuing use the premises with uninterrupted possession.

### ***Focus on core competence***

We are a digital online content provider and we currently have 2 YouTube channels – “Net Pix Shorts” and “Net Pix Raw Music” for short films and music videos, respectively. Our Promoter, Mr. Danish Zakaria Aghadi has significant experience in digital marketing and we intend to use this core competence to grow our scale of operations and create a large and diversified content library. Accordingly, we outsource the line production activities to third parties and certain related parties who carry out the content creation activities and also co-ordinate with various departments involved in such activities. We intend to continue this arrangement so as to concentrate our expertise in providing digital online platform to new and upcoming talent.

### ***Strengthen the brand name***

The entertainment industry is highly competitive and is dependent significantly on the audience recall of the brand. Currently, some of our competitors like SIT, Pocket Films, TVF and Dice media, to name a few, have a substantial viewer base and brand recall. We intend to further increase the brand recognition through brand building efforts, communication and various initiatives, like participation in industry events, public relations and investor relations efforts. The same would enhance the visibility of our brand name and enhance our position and image in the entertainment industry. Our brand building exercise is also significantly linked to the quality of short films and the ideas that we promote through our videos. Some of our short films have been nominated by Filmfare in 2019 and 2020 and also have been the official selections for various film festivals. Our brand building exercise is also in line with the fact that we believe that once we are a listed company on the SME Platform our visibility will further improve.

## DETAILS OF OUR BUSINESS

### LOCATION

Type of Facility	Locations
Registered Office	1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061
Writer's Lounge & Creative Team Core Work Place	Unit No. 3 & 4, Ground Floor, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061
Workshop and Godown	Lower Basement, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061

### DESCRIPTION OF OUR BUSINESS

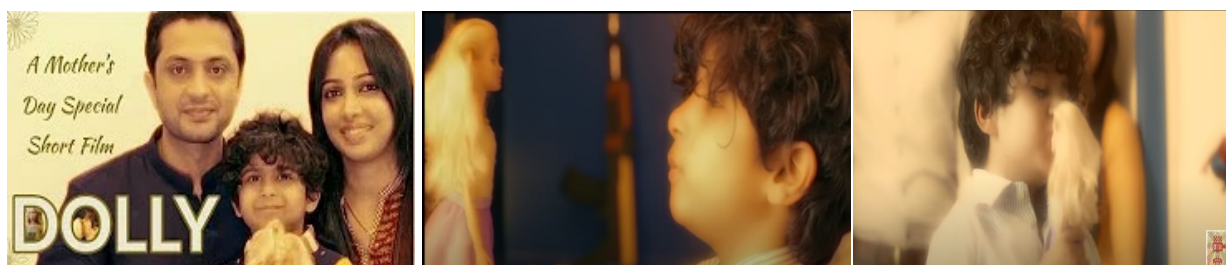
Our Company is in the business of providing entertainment in the form of short films in the online digital media space. We are a technology based content provider with in-house capabilities for film production.

We believe that short films are still at a nascent stage and that in today's lives, audience prefer to watch short and meaning full videos rather than 3 hour long movies and stretchy soap operas. As on date of this Draft Prospectus, we have published 10 short films having 12 videos and 4 music videos, aggregating to 167.63 minutes of content streaming time which has received approximately 3,14,04,830 aggregate views. The details of our active content available on our YouTube channel – Net Pix Shorts and Net Pix Raw Music and also on other online portals and OTT platforms are described below:

#### Our Active Content

Our Company currently has 10 short films consisting of 12 videos, including the ones produced under the erstwhile proprietorship firm and produced and under our Company. The details of the videos and short films that have been posted on various digital online platforms as on date are provided below:

#### 1. *Dolly – Unconditional Love*



This video released by our Company on May 08, 2020, addresses the gender bias existing in our society and questions the stereotyping of the genders, their behaviour, likes and dislikes, expected behaviour of the sexes and pre-conditioning of the mind of a child by the parents. This is shown in a very subtle manner by means of a toy children play with and in essence, also captures love in its purest form, which is childhood.

This video has on received 50,827 views as on September 05, 2020.

#### 2. *Breathe*



This video was released by our company on June 19, 2019, just two day ahead of international yoga day. The concept behind this story is simple that how yoga changed the life of one young girl, who seems to end her life. The video emphasises the positive impact yoga has on the life of an individual who earlier seemed to be confused and clueless in decision making and to move ahead in life.

This video had received 8,006 views as on September 05, 2020.

### 3. *My Mother is a liar*



Our Company released this video on May 10, 2019, wherein the story of every mother’s struggle and life is explained from the point of view of her daughter. It depicts the confusion of the little girl between what her mother taught her, as compared to the truth which she is witnessing. She sees her mother face many problems and enduring so many hardships, and yet she chooses not to reveal or show these problems and always keep a smiling face.

This video has on received 6,245 views as on September 05, 2020.

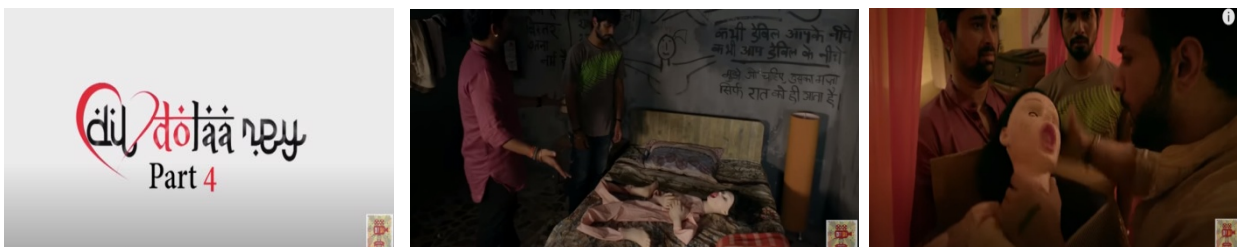
### 4. *New Born Mother*



This video released on May 10, 2019, highlighting the story mother and her post-pregnancy anxiety. It showcases her belief that after the child’s birth, everyone just cares for the new born child and that her problems and her mental and physical changes are been ignored and how with her husband’s support and music, she overcomes this trauma. This video was nominated for Filmfare Short Films Awards 2020 under the best short film category.

As on September 05, 2020, this video has garnered 52,12,368 views.

### 5. *Radhe Bhaiya - Part 2*

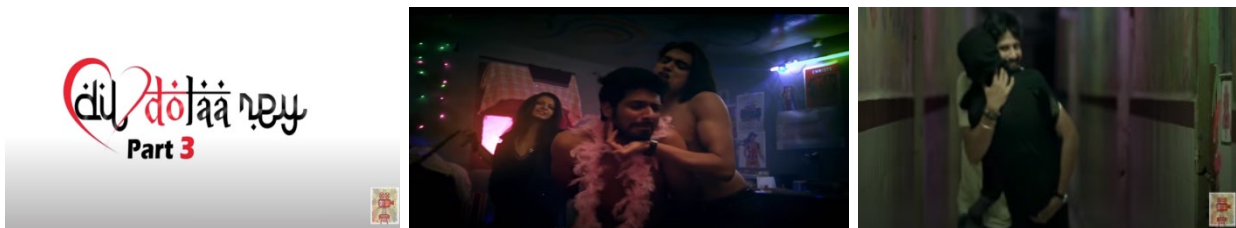


This video was released by our company on May 04, 2019. This is the concluding edition of the ‘Dil Dolaa Rey Part 3 Radhe Bhaiya. This part shows the journey of a person and his state of mind when somebody he loves is killed. It races through the events of the damage he does in a mad rage and the attempts of his friend to cover up the mess.

This video has on received 2,22,983 views as on September 05, 2020.



6. *Radhe Bhaiya - Part 1*



This video released by our Company on May 04, 2019, addresses the blind love of college general secretary by the name of Radhe Bhaiya towards Savita Bhabhi, which is inflatable girl and how Jay helps Vikram to get Savita Bhabhi (inflatable girl) for their fantasy for one night.

This video has on received 2,85,108 views as on September 05, 2020.

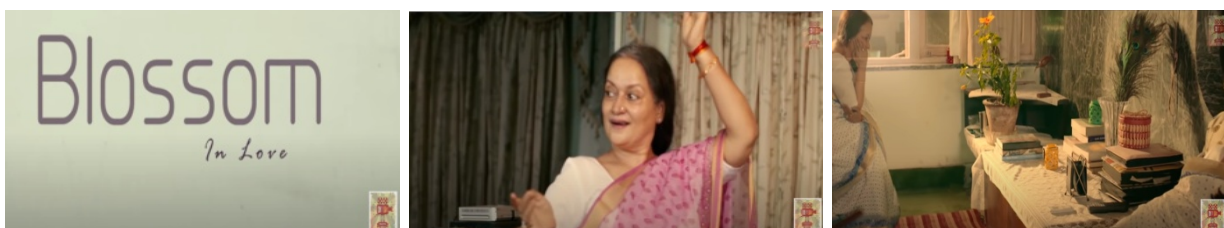
7. *The Story of A Character - Kirdaar*



Our Company released this video on February 27, 2019, which primarily describes the life of an actor and was nominated for FilmFare 2019. It highlights the depth to which an actor goes to play a character so as to imbibe the style, emotions and behaviourism in personal life and the effect of such behaviour on surrounding people including their family members who think he is getting more and more finicky.

As as on September 05, 2020, this video has received 1,79,129 views

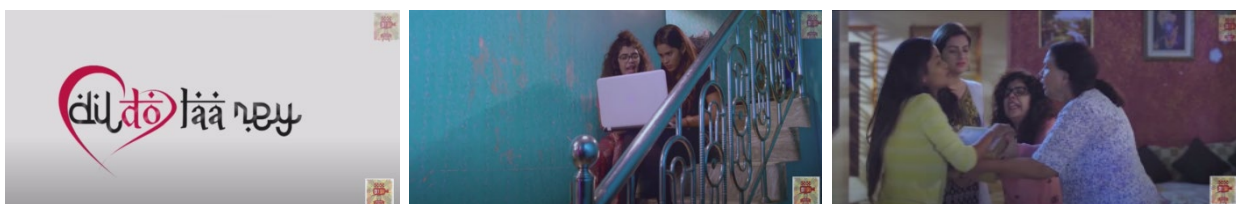
8. *Blossom - In Love*



This video had uploaded by our company on December 20, 2018 and got Official Selection for Filmingo International Short Film Festival 2018. Story is about a woman in her late 60's living alone in the city of Mumbai and the only thing that is part of her life is a plant. The video showcases the woman's journey through her loneliness where she considers the plant as her best friend and undertakes various activities in front of it to keep herself busy.

This video has on received 1,25,808 views as on September 05, 2020.

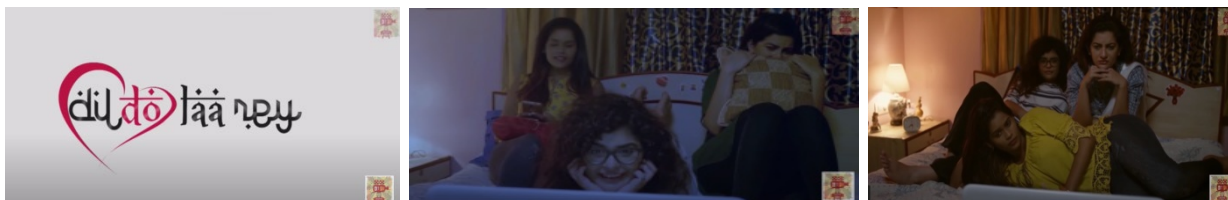
9. *Dil DoLaa Rey - Part 2*



This video was released by our company on October 31, 2018. This is the 2<sup>nd</sup> and conclusive part of the 2 part story - Dil DoLaa Rey. After watching the adult movie and see a dildo on-screen for the first time. They decide to buy the dildo. The video describes the events and the funny & hilarious situations experienced by the two teenage sisters while attempting to purchase certain items and how the situation become more wild and crazy when family's neighbours get involved.

This video has received 72,16,465 views as on September 05, 2020.

### 10. *Dil DoLaa Rey - Part 1*



This video released by our Company on October 31, 2018, addresses the story of two sisters i.e, Zara and Shubina in which Zara is about to get married so they decided to watch adult film along with their neighbour, Raashi and the experiences that they witness in the process of trying to follow what they see in the movie For the first time both the sisters notice & learn about a dildo on screen and they decide to have experience of it.

This video has received 1,63,36,519 views as on September 05, 2020.

### 11. *Abnormal*



This video released by our Company on September 07, 2018, deals with a controversial theme – LGBT i.e. same sex love, a social topic kept under wraps of judgment in our society and has been portrayed in this artwork. In this story a girl Arohi, who started having feeling towards his best friend's sister but she can't say anything to anyone because of the same gender. She expresses her feeling by drawing it out but in the end she decided to show to his best friend and in turn becomes a point of ridicule for everyone. This short video got Official Selection for Smita Patil Documentary and Short film festival 2016, Official Selection for Dadasaheb Phalke Award Film Festival 2016, Official Selection for Dehradun International Film Festival 2017, Best Short Film and Best Director in 4<sup>th</sup> My Mumbai Short Film Festival 2015 and many more.

This video has received 6,50,723 views as on September 05, 2020.

### 12. *Sameera*



On March 09, 2018, this video was released. This video is a story of a Muslim Painter named 'Sameera' who is in her late 20's and is deeply immersed in love with someone, hence she is refusing the wedding proposals being brought by her parents. The climax reveals who she is in love with.



7,78,224 viewers have viewed this video as on September 05, 2020.

### Music / Music Videos

We have recently, i.e. on August 14, 2020 launched our new channel dedicated for music, in the name and style of Net Pix Raw Music. This channel has received a positive response with more than 1,53,000 subscribers in less than one month. Currently, our channel has four (4) music videos and the details of these music videos are provided below:

#### 1. *Mila De Mujhe*



The song video was released by our Company on July 05, 2019 and was originally posted on our flagship channel, 'Net Pix Shorts'. However, pursuant to launch of our dedicated music channel, the same was shifted. The video depicts the introspection of an individual and his / her reluctance to believe in the system to find their path in life. It shows that a person should believe in oneself and pray rather than depend on others. The video showcases this internal struggle through the medium of a vivid image of the Kumbh Mela, 2019.

As on September 05, 2020, this video has received 1,18,856 views

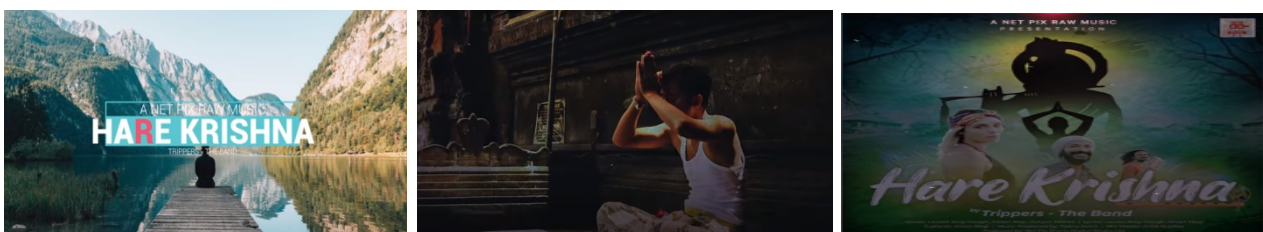
#### 2. *Badalon Pe (ft. Ramya)*



This music video was released and uploaded on August 21, 2020 and was originally part of our acclaimed short film, Abnormal. It depicts the struggle of a girl who is attracted to a person of the same sex and the lyrics describe her feelings at each stage.

As on September 05, 2020, this video has garnered 1,14,310 views

#### 3. *Hare Krishna*



This music video is a recent addition to our music channel and was released on August 28, 2020. It is a simple and sincere call to God for enlightenment and the ability to see and feel the presence of God in our endeavours, which includes the famous chant of 'Hare Krishna – Hare Rama' and 'Hare Om'.

As on September 05, 2020, it has received 1,14,952 views

#### 4. Jai Shiv Shambhu



This music video is the latest addition to our music channel and was released on September 04, 2020. It is a praise of Lord Shiv presented in the modern techno beats targeted at today's youth.

As on September 05, 2020, this video received 62,532 views.

The above videos are also currently available in an audio only format on other 3<sup>rd</sup> party music OTT platforms like Amazon Music, Ganna, Jio Saavn, etc.

#### Advertisements

As we had additional bandwidth for a certain period of time, we had taken up digital content creation for 3<sup>rd</sup> party companies. Accordingly, we have in the past, completed an online advertisement assignment for the Big Bazaar and had published three (3) digital online contents for the said brand.



These advertisements were streamed along with various internet content streaming. Though currently our core focus is to publish relatable content in the form of short films, web series & music videos and thus create a larger and qualitative content library, we may from time to time undertake digital content creation for such 3<sup>rd</sup> party companies.

#### Under-Production Projects

We have several short films / music videos which are either complete & awaiting release or currently under various stages of production. A brief description of our under-production projects is enumerated in the table below:

Sr. No.	Name of the Film	Description	Status
1.	Framed	Framed follows the tiny footsteps of Tanvi - a child actor and an ad' celebrity, only 8 years old, forced into the harsh world of showbiz, with her parents aggressively pursuing and pushing her career. Framed raises some serious concerns about the lives and working conditions child actors live in.	Completed
2.	Old Kid	The story revolves around an old man, with a want for love and care and a stubborn refusal to live at an old age home, has put himself up for adoption.	Completed
3.	Sahi Galat	Love Story of a married couple, with a twist.	Under Post – Production
4.	Sai Baba Ka Ashirwad	Its a para-psychological Horror / Thriller. Revolving around a botanist and her trip to a remote village.	Under Post – Production
5.	Raju Vampire	Its the modern-day satire on vampires. The story follows the pitfalls, of a broke vampire from the slums and his journey of finding love and gratification, but with a twist.	Under Post – Production
6.	Begum	The Short film, follows along, taxi driver Altaf, and his	Under Post – Production

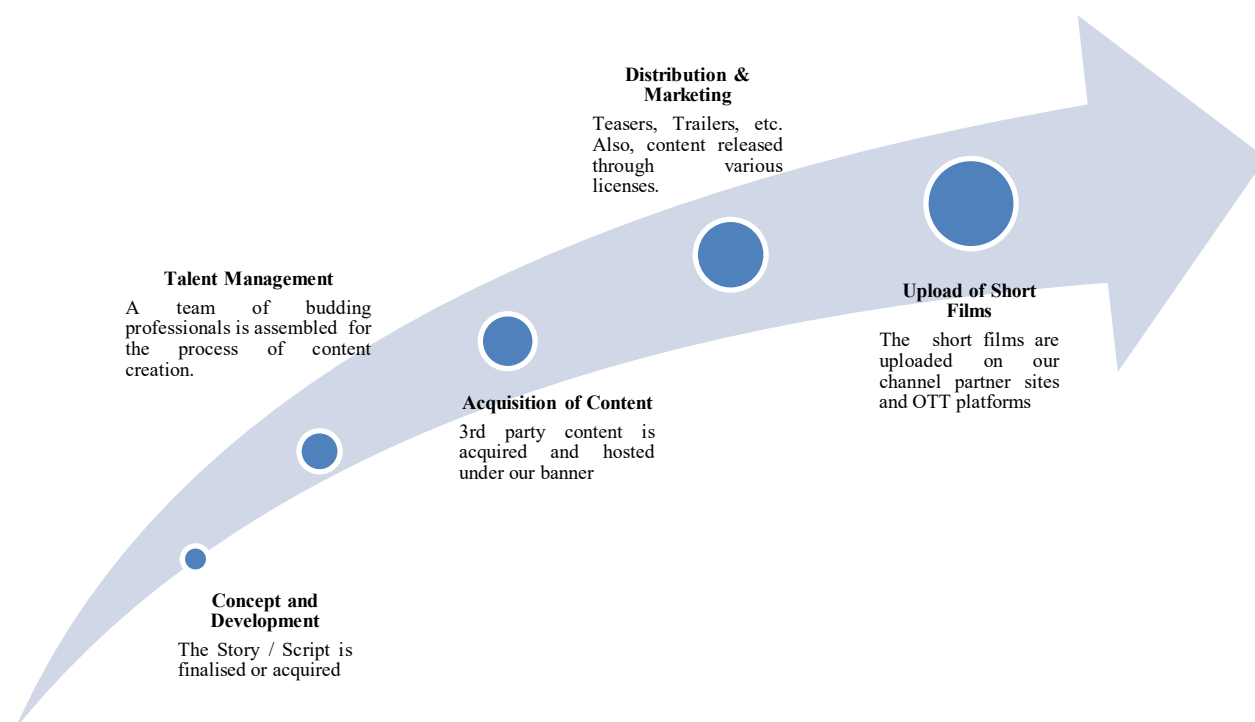


		passenger, Kartik as they discover a new outlook on love in the duration of a shared cab ride, from Bandra to Churchgate.	
7.	Confession	It's a twisted tale of crime, investigation and final justice.	Under Post – Production
8.	True Winners	A health and fitness based motivational music video. Based on a retired boxer now in his early 50s.	Under Post – Production

## BUSINESS PROCESS

### Business Process

For film making, our company follows the five step processes which are Idea & Development, Pre- Production, Production, Post – Production and Marketing/ Distribution. Our business process is illustrated below:



### *Concept and Development*

We are a digital online platform based Company and any content or video begins with a concept in the form of a story. We hunt for a story which we believe highlights the human nature, his struggles, his achievements and failures and also is able to provide a message to the society as a whole. Our writers develop or write the script/ content keeping in mind audience taste, like, dislike and trend. The story is then drafted as a script for the purpose of filming. Once a story is finalized, we register the same with the ScreenWriter's Association ("SWA") and also the title of the story / film is registered with the India Motion Pictures Producer's Association ("IMPPA").

Further, we have a writer lounge, where we invite professional and potential writers who are members of the Screenwriters Association and they can use this lounge at free of cost. The idea of writer lounge is to help the writers of all ages and genres to come, sit and write freely. A writer can pitch his / her idea / stories to us and if we like them we adopt these stories and help them to be produced under our banner.

### *Talent Management*

We manage talent in the form of bringing the various agencies of pre-production, production and post-production under a single roof to jointly create the content, which we can then upload on the online digital portals and on various OTT



platforms. The various entities involved in the process of developing the content include Director, Assistant Directors, Director of Photography, Casting Directors, Actors, etc.

Our primary focus is to offer an open platform for new and, young and budding professionals to be part of the currently trending online content culture. We capitalize on the new talent to enable to create a cost effective content which can be suitably monetized to compensate new professionals and at the same time provide them with a platform to show-case their abilities to the outside world.

The content creation process from the finalizing of the script to the final editing, dubbing and special effects is done by the team assembled by us based on a firm budget finalized by our Directors and a presentable content / short film is prepared which we believe will appeal to the audiences of all demographics.

### ***Acquisition of Content***

Besides our own production, we also could also acquire various short films / content made by 3<sup>rd</sup> parties and then release them under our banner on various online platforms. The important aspect for any content acquisition is that the story and the execution should meet our internal standards and it should be in sync with our basic ideology, i.e. the film should provide a social message. These contents are generally purchased on certain credit so as to assess the acceptability with the viewers.

### ***Distribution/ Marketing***

The completed short films are ready for is the uploading on to the online digital and OTT platforms including social media, which include portals like YouTube, Facebook, Twitter and Instagram, to name a few. We generally have our dedicated channels and our Company finalises a marketing plan for our films. These include teasers, trailers, promotional events, direct marketing to target audience, etc. Our Company then finalises a suitable time of the release for the video such that maximum views are recorded. Further, we also rely significantly on a positive word-of-mouth publicity which is a key factor in our short film's success. Marketing also includes licensing our content on a non-exclusive basis to various production houses, who in turn publish the same on the OTT platforms where they have tie-ups, thus spreading the reach of our content.

Further, we also distribute our content to international audiences through licensing of specific videos, which we believe will be accepted not only by Indian population in those regions but also to by locals. These licensing agreements aid us in creating a broader audience base with varied choices, which in turn helps us create better a better content.

### ***Uploading on Online Digital Platforms***

Once the videos are complete, they are uploaded on the online digital portals and OTT platforms, with which we have tie-ups, for public viewing. These portals have a count of no. of views which enable us see the success of our videos and also serve as a means of determining our revenue from such videos on each platform. We also utilize the views of our various videos to determine the type of videos that we should concentrate on in the future.

## **COLLABORATIONS**

We have not entered into any technical or other collaboration.

## **RAW MATERIALS**

Since we are not a manufacturing company, details of raw materials are not applicable to us.

## **UTILITIES**

Our registered office as well as writer's lounge is situated at Mumbai. The offices are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our offices are well equipped with requisite utilities and facilities including the following:





### **Power**

Our Company meets its power requirements in our Registered Office, Writer’s Lounge and our Workshop & Godown from the local electricity supplier and the same is sufficient for our day-to-day functioning.

### **Water**

Adequate arrangements with respect to water requirements for drinking purpose are made at the offices of the Company.

### **COMPETITION**

The media and entertainment industry is highly competitive and unorganised, with no single company controlling significant market share in the business. We face competition from both organized and unorganized players in the market. Our main competitors are other organized companies in these segments. We compete under the name and style “Net Pix Shorts”. Amongst the players, we consider Pocket Films, TVF, Dice Media, SIT, Excel Entertainment, Balaji Telefilms, Ding Entertainment and many more as major competitors in our business. Competition is generally based on the contents, concept, copy rights and cast. The contents that are being published over these platforms are either created by them i.e. by our in-house production or could be acquired through outright purchase or through syndicated method. We believe that we are able to compete effectively in the markets with our presence because of the quality of contents, the strength of our brand equity and our reputation.

We also expect further competition from large national and international online media publishing houses and content creation companies, who have access to a fully functional OTT platforms and an established set-up for content creation in the form of films, web series, short films, etc. We will compete in terms of our unique story-telling and social causes depicted in our videos thus attempting to create a niche in the short films segment. Our challenge will be to establish our Company’s reputation and eligibility for better contents including short films, web series and music.

### **CAPACITY AND CAPACITY UTILIZATION**

Capacity and capacity utilization is not applicable to our Company since our business is not in the nature of a manufacturing concern with specified installed capacity.

### **MANPOWER**

Human resource is the key element for developing a company’s growth strategy and handling the day to day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional and a strategically organized group of personnel. Our Company does not have any Employee Unions.

As on date of this Draft Prospectus, we have 8 employees on our rolls, which look after the day to day business operations, administrative, secretarial, legal and accounting functions in accordance with their respective designated duties.

### **PROPERTIES**

The registered office of our company is located at 1402, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061, which is provided by our Promoter. We have not entered into any formal agreement with the Promoter for this premise. However, our Promoter has given us an NoC for using the said premises as our Registered Office and we have been using this premise since our Company’s incorporation.

Further, our Company has taken the following properties on license/lease.


<b>Sr. No</b>	<b>Address of Property</b>	<b>Name of Lessor(s)</b>	<b>Agreement Date, &amp; Lease period</b>	<b>Amount</b>	<b>Purpose</b>
1	Lower Basement, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400061	Fancy Builders Private Limited	Agreement Date: 30/07/2020 Tenure: Valid till 29/07/2030	Rent : Nil Deposit: ₹ 25 lakhs	Godown and Storage



Sr. No	Address of Property	Name of Lessor(s)	Agreement Date, & Lease period	Amount	Purpose
2	Unit No. 3&4, Ground Floor, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400061	Fancy Builders Private Limited	Agreement Date: 30/07/2020 Tenure: Valid till 29/07/2030	Rent : Nil Deposit: ₹ 75 lakhs	Writer's Lounge & Creative Team Core Work Place

## INTELLECTUAL PROPERTY

Our Company has the following trademark registration:

Particulars of the mark	Word/ Label mark	Owner	Trademark / Application Number	Class	Period of validity (Valid upto)
	Device	First Step Entertainment Capital <sup>(1)</sup>	4090679	41	February 17, 2029

<sup>(1)</sup> The intellectual property is registered in name of First Step Entertainment Capital a proprietor concern. However, Our Company has acquired the said proprietor concern on dated June 20, 2019 and we are in process of name change with the relevant authority.

Further, our Company has applied for the registration of the following trademarks:

Particulars of the Mark	Word/ Label Mark	Owner	Trademark / Application Number	Class
Net Pix Raw Music	Word	Net Pix Digital Media Limited	4579424	41

## INSURANCE

We have taken sufficient insurance to cover different risks which we believe is sufficient to cover all material risks to our operations and revenue. Our operations are subject to hazards inherent to the safe keeping of a physical inventory, such as risks relating to work accidents, fire, earthquake, burglary and transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. Our Company has obtained car policies and standard fire and special perils policy.





## KEY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Our Business” on page no. 79 of this Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no. 154 of this Draft Prospectus.*

Our Company is in the business of online digital media publishing and content creation. We are a technology-based content provider with in-house capabilities for film production.

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

### A. INDUSTRY RELATED LAWS

#### **The Cinematograph Film Rules, 1948, (“Cinematograph Rules”)**

The 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.

#### **The Cinematograph Act, 1952, (“Cinematograph Act”)**

The Cinematograph Act authorizes the Central Government to constitute a Board of Film Certification, (also known as the "Central Board for Film Certification" or "CBFC"), in accordance with the Cinematograph (Certification) Rules, 1983, (“Certification Rules”), for 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. A certificate granted or an order refusing to grant a certificate in respect of any film is published in the Official Gazette of India and is valid for 10 years from the date of grant. Films certified for public exhibition may be re - examined by the CBFC if any complaint is received in respect of the same. Pursuant to grant of a certificate, film advertisements must indicate that the film has been certified for public exhibition. The Central Government may issue directions to licensees of cinemas generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited. The Central Government, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and/or monetary fines. Separately, the Cable Television Networks Rules, 1994, require that no film or film song, promo, trailer, of film music video, album or trailer, whether produced in India or abroad, shall be carried through cable services unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India.

## **B. REGULATIONS GOVERNING LABOUR LAWS**

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017

The provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 are applicable to the Company. The provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work. Whoever, contravenes the provisions Act or the rules made there under shall be punished with fine which may extend to ₹ 1,00,000/- and in the case of a continuing contravention, with an additional fine which may extend to ₹ 2000/- per for every day during which such contravention continues. The total fine shall not exceed ₹ 2000/- per workers employed.

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

The Industrial Disputes Act, 1947 (“**ID Act**”) 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. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman’s services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

### **The Employees’ Compensation Act, 1923**

The Employees’ Compensation Act, 1923 (“**EC Act**”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.



### **Maternity Benefit Act, 1961**

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### **Payment of Bonus Act, 1965**

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment up to 6 (six) months or a fine up to ₹1,000/- (Rupees one thousand only) or both.

### **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 work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-.

### **The Payment of Wages Act, 1936**

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

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MW Act”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

### **Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an “establishment” according to Section 2(iv) of the CLPR Act.

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five-year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer. The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable. An employer who



contravenes, or defaults in complying with, any of the provisions of this Act or made there under shall be punished with imprisonment for a minimum term of 3 months but which may extend to one year, or with fine being minimum ₹ 10,000/- but which may extend to ₹ 20,000/-, or with both.

### **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed K 25,00,000 (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than K 25,00,000 (Rupees Twenty Five Lakh Only) but does not exceed K 5,00,00,000 (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than K 5,00,00,000 (Rupees Five Crores Only) but does not exceed K 10,00,00,000 (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed K 10,00,000 (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than K 10,00,000 (Rupees Ten Lakhs Only) but does not exceed K 2,00,00,000 (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than K 2,00,00,000 (Rupees Two Crores Only) but does not exceed K 5,00,00,000 (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

## **C. TAX RELATED LAWS**

### **Income-tax Act, 1961**

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrollment from the assessing authority.

The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 is applicable to our Company.



## **D. OTHER LAWS**

### **Competition Act, 2002**

The Competition Act, 2002 (“**Competition Act**”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not ‘duly stamped’ cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **The Maharashtra Stamp Act, 1958**

The Maharashtra Stamp Act, 1958 is expedient to consolidate and amend the law relating to stamps and rates of stamp duties in the State of Maharashtra and prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act, 1958.

### **Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act.”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is





subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

**Sale:** The transfer of ownership in property for a price, paid or promised to be paid.

**Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.

**Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

**Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

**Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Indian Contract Act, 1872**

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

### **The Specific Relief Act, 1963**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“**Trademarks Act**”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“**the Registrar**”), is to be advertised in the trademarks journal by the





Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **Foreign Exchange Management Act, 1999**

Foreign investment in companies in the roadway transport industry is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued ‘Consolidated FDI’ (“**FDI Policy**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from August 28, 2017. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. Vide an Office Memorandum dated June 5, 2017 (“**Office Memorandum**”), issued by Ministry of Finance, Department of Economic Affairs the Government of India has abolished Foreign Investment Promotion Board (“**FIPB**”).

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Subsequent to the abolition of FIPB, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The FDI Policy issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.



## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our business was originally being run as a proprietorship named M/s. First Step Entertainment Capital. Further, our Company was incorporated on June 2019, as a public limited company under the name Net Pix Shorts Digital Media Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai with a vision to corporatize the business. The business takeover of M/s. First Step Entertainment Capital (Proprietor Mr. Danish Zakaria Aghadi) was effected along with the incorporation of the herein mentioned Company such that our Promoter Mr. Danish Zakaria Aghadi was allotted 16,00,000 equity shares in lieu of his proprietor capital through the Company's first Memorandum.

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on various digital online portals and OTT platforms. The online digital media industry is a continuously evolving technological industry and we endeavour to exploit these technological advances to reach audiences in India and globally with entertaining, socially relevant and heart-felt content.

Our objective is to offer a platform for enabling digital online entertainment by creating and / or procuring short content in order to make our platform a preferred choice for short content audiences. We started our online content distribution through the internationally renowned 'YouTube' portal and our channel – "Net Pix Shorts" went live on January 08, 2018. Currently, we have released 10 titles consisting of 12 videos on our YouTube channel aggregating to 154.94 minutes of content, which has received approximately 3,10,72,405 aggregate views as on September 05, 2020. We have also received the Silver Creator award from YouTube for crossing 1,00,000 subscribers and currently, we have having 2,46,000 subscribers to our channel. As on date of this Draft Prospectus, we also have 8 short films which are under production aggregating to approximately 155.84 minutes of content. Besides, some of our videos are also uploaded on various other digital online portals like Hungama Play, Sony Liv, Mx Player, Shorts TV and Hotstar, either directly or through our media partners.

We have recently launched our own music channel on YouTube – 'Net Pix Raw Music' which went live August 14, 2020. The idea behind the music channel is to invite new and young musicians to showcase their talents on a global platform, where we offer them an online platform through our channel partners and OTT platform arrangements. As a newly launched channel, we have uploaded four (4) music videos aggregating to 15.70 minutes of content and are currently in process to add more music content to this channel. These four (4) titles on this channel have received an aggregate of 4,10,650 views as on September 05, 2020. Having recently launched the channel, we already have more than 1,53,000 subscribers on Net Pix Raw Music. This music channel provides an open platform for budding talents who are given an opportunity to display their content of songs and music videos made with fresh ideas and ambitions.

Our Company has 7 shareholders as on the date of filing of this Draft Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

There has been no change in the Registered Office of our Company since the date of our incorporation:

Date of Change of Registered Office	Address
Incorporation	Since Incorporation our Registered office is situated at 1402, Z A Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events/Milestones/Achievements
June 2019	Incorporation of our Company with the primary objective of takeover of the Proprietorship Concern
January 2020	Received Filmfare Nominations for short film – "New Born Mother"
May 2020	Released our 13 <sup>th</sup> short film amid the lockdown
August 2020	Launched our own Music Channel by the name and style of Net Pix Raw Music



## Acquisition of Businesses/Undertakings, Merger, Amalgamation or Revaluation of Assets in last 10 Years

Our Company has upon incorporation and vide MoU dated June 20, 2019, acquired the running business of M/s. First Step Entertainment Capital, which was the proprietorship firm of our Promoter, Mr. Danish Zakaria Aghadi. Our Promoter was issued 16,00,000 Equity Shares of our Company in lieu of the above business acquisition and the same has been allotted as part of his subscription to the Memorandum of Association.

## Time/Cost Overrun in Setting up Projects

As on date of this Draft Prospectus, there has been no time and cost overruns in the Company

## Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

As on date of this Draft Prospectus, our Company has not made any defaults / re-scheduling of its borrowings.

## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

- To carry on in India or elsewhere the business to produce, promote, project, participate, prepare, develop, shoot, expose, edit, exhibit, make, remake, mix, remix, display, print, re-print, convert, manipulate, duplicate, finish, buy, sell, run, import, export and to act as broker, agent, introducer, distributor, aggregator, exhibitor, proprietor of all types of the video serials, telefilms, documentaries, advertisements, communication in digital media and other commercial programs, corporate films, educational & training films, video conferring, video communications through cables & internet etc.*
- To provide digital platform as well as act as a partner with other digital platforms, content channels, provide hosting services and IT services for various digital media sector.*

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
1.	August 27, 2020	<b><u>Clause V of the Memorandum was amended to reflect:</u></b> Increase in authorized share capital of the Company from ₹ 2,35,00,000 divided into 23,50,000 Equity shares of ₹ 10 each to ₹ 3,35,00,000 divided into 33,50,000 Equity shares of ₹ 10 each.

## OUR HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any Holding Company.

## OUR SUBSIDIARIES

As on the date of this Draft Prospectus, our Company does not have any subsidiary Company.

## JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

## SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.



---

## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As on the date of this Draft Prospectus, our Board consists of Four (4) Directors including one (1) is an Executive Director, one (1) is a Non Executive Non Independent Director and two (2) are Non Executive Independent Directors. Further, we have two (2) Women Directors on our Board.

The details of the Directors are as mentioned in the below table:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Danish Zakaria Aghadi</b> <i>Father's Name: Late Mr. Zakaria Aghadi</i></p> <p><b>Designation:</b> Managing Director</p> <p><b>Date of Birth:</b> November 04, 1991</p> <p><b>Address:</b> Flat No. 62, Perry Dert Building, 6<sup>th</sup> Floor, 22/A Perry X Road, Bandra West, Mumbai – 400 050.</p> <p><b>Appointment as Director:</b> Upon Incorporation</p> <p><b>Date of Appointment as Managing Director:</b> August 26, 2020</p> <p><b>Term:</b> Appointed as Managing Director for a period of five years i.e. till August 25, 2025.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 05017846</p>	Indian	27 Years	<ul style="list-style-type: none"><li>• Enen Trading And Properties Private Limited</li><li>• Mumbra Entertainment Private Limited</li><li>• Carmona Resorts And Realities Private Limited</li><li>• Finchley Properties And Hospitalities Private Limited</li><li>• Dane Realtors And Resorts Private Limited</li></ul>
<p><b>Ms. Nazish Furniturewala</b> <i>Father's Name: Mr. Imran Furniturewala</i></p> <p><b>Designation:</b> Non Executive Non Independent Director</p> <p><b>Date of Birth:</b> October 16, 2000</p> <p><b>Address:</b> Z. A. Towers CHSL, Flat No. 1701, Zohra Aghadi Nagar, Yari Road, Versova, Andheri West, Mumbai – 400 061</p> <p><b>Appointment as Director:</b> Upon Incorporation</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08294240</p>	Indian	19 Years	<ul style="list-style-type: none"><li>• Enen Trading And Properties Private Limited</li><li>• Mumbra Entertainment Private Limited</li><li>• Carmona Resorts And Realities Private Limited</li><li>• Finchley Properties And Hospitalities Private Limited</li><li>• Dane Realtors And Resorts Private Limited</li></ul>
<p><b>Ms. Sony Pandey</b> <i>Father's Name: Mr. Adhya Pandey</i></p> <p><b>Designation:</b> Non Executive Independent Director</p> <p><b>Date of Birth:</b> June 13, 1987</p>	Indian	33 Years	Nil



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<b>Address:</b> Sonapur House No. 10, Near Shivshakti Nagar, Jaihind Nagar, Shivaji Nagar, Mankhurd, Mumbai – 400 043 <b>Date of Appointment as Additional Non Executive Independent Director:</b> November 11, 2019 <b>Date of Change in designation:</b> August 27, 2020 <b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till August 26, 2025. <b>Occupation:</b> Services <b>DIN:</b> 08608227			
<b>Mr. Rahul Dayama</b> <i>Father's Name: Mr. Kishor Dayama</i> <b>Designation:</b> Non Executive Independent Director <b>Date of Birth:</b> October 24, 1984 <b>Address:</b> Plot No. 4, Shankarwadi, Opp. JDCC Bank, Sabhagruha, Ring Road, Jalgoan – 425 001. <b>Appointment as Non Executive Independent Director:</b> August 27, 2020 <b>Term:</b> Appointed for a period of five years i.e. till August 26, 2025 <b>Occupation:</b> Professional <b>DIN:</b> 07906447	Indian	35 Years	<ul style="list-style-type: none"><li>• Karda Constructions Limited</li><li>• Satyasai Pressure Vessels Limited</li></ul>

## BRIEF PROFILE OF OUR DIRECTORS

**Mr. Danish Zakaria Aghadi**, aged 27 years is the Promoter and Managing Director of our Company. He is an entrepreneur with primary interests in real Estate and entertainment fields and has over 7 years of business experience. With an intention to capitalise on his passion for acting and music, he started this business under his proprietorship firm, M/s. First Step Entertainment Capital, wherein he provided digital content platform to various talent in the field of entertainment with a focus on short contents. Thereafter, in June 2019 he incorporated this Company with a view to corporatize the proprietary concern business. He has completed a certificate course in Acting and Dance from Actor Prepares - The School for Actor (Anupam Kher's) in 2016. Further, he has attended various acting and theatre workshop and has developed his skill as an actor and film maker. He is also actively involved in theatres, TV commercial, Short Films and Films. As our Managing Director, he is instrumental in devising and implementing the overall strategy and growth of our Company and also is instrumental in maintaining cordial relations with various online portal and OTT services provider.

**Ms. Nazish Furniturewala**, aged 19 years is the Non Executive Non Independent Director of our Company. She was one of the first Directors of our Company. She is under graduate. She has completed Diploma in Scriptwriting from Actor Prepares - The School for Actor (Anupam Kher's). As the Non Executive Director of our Company, she provides us with her knowledge and inputs in finalising the stories and ideas for our content and also assists in the scripting of some of our short films.





**Ms. Sony Pandey**, aged 27 years is the Non Executive Independent Director of our Company. She was appointed on our Board since November 11, 2019. She has completed his Bachelor of Management Studies from University of Mumbai in the year 2008 and also completed degree in MBA Industry Integrated Department of Management from Sikkim University in the year 2010. She has almost a decade of experience in handling all back office related work for law firm. At present, she is working with Armstrong Law Associates.

**Mr. Rahul Dayama**, aged 35 years is a Non Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. August 27, 2020. He has completed his Bachelors of Commerce from North Maharashtra University, Jalgaon in the year 2006 and also a member of the Institute of Chartered Accountants of India since November 2016. He has more a decade of experience in the field of Internal Auditing, Internal Financial Controls, Taxation, Finance & Accounting, Tax Audit and Statutory Auditing. He had earlier worked with Haribhakti & Co. and at present working as Independent Practicing CA. He has conducted Risk based internal, process & information technology audits for banking, financial, manufacturing, service, health care and other industries.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

1. None of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a wilful defaulter, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
5. None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018
7. None of the Promoter or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on August 27, 2020 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 crores.

## REMUNERATION OF EXECUTIVE DIRECTORS

### **Mr. Danish Zakaria Aghadi, Managing Director**

The compensation package payable to him as resolved in the Board meeting held on August 26, 2020 is stated hereunder:



**Salary:** The total remuneration payable to Mr. Danish Zakaria Aghadi, Managing Director, shall be a sum of ₹ 2.44 lakhs per annum (inclusive of all perquisites) for a period of 5 years from August 26, 2020 to August 25, 2025

#### **PAYMENT OR BENEFIT TO NON EXECUTIVE NON INDEPENDENT DIRECTOR AND NON EXECUTIVE INDEPENDENT DIRECTORS OF OUR COMPANY**

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on August 27, 2020, the Non-Executive Directors of our Company would be entitled to a sitting fee of ₹ 5000 for attending every meeting of Board or its committee thereof.

The Remuneration / Sitting Fees paid to the Directors during the last F.Y. 2019 - 20 is as follows:

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration paid
1.	Mr. Danish Zakaria Aghadi	1.83
2	Ms. Nazish Furniturewala <sup>(1)</sup>	0.25

<sup>(1)</sup> Ms. Nazish Furniturewala had received ₹ 0.25 lakhs for consultancy services.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our Directors to hold any qualification shares. Further, the details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)
1.	Mr. Danish Zakaria Aghadi	23,00,000	100.00%
2.	Ms. Nazish Furniturewala	10	Negligible
3.	Ms. Sony Pandey	10	Negligible

#### **INTEREST OF DIRECTORS**

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

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

##### ***Interest in the property of the Company***

Except as stated in the heading titled “Properties” under the chapter titled “Our Business”, beginning on page no. 79 of this Draft Prospectus, none of our Directors have interest in any property acquired or proposed to be acquired by our Company.

##### ***Interest in promotion of the Company***

Our Director(s) may be interested to the extent our Company is promoted by them. Except as disclosed in this Draft Prospectus, none of the other Directors are interested in the promotion of our Company.

##### ***Interest as Member of a Company or Firm***

Except as stated in this chapter titled “Our Management”, the section titled “Financial Information – Annexure XXVI – Related Party Transactions” and the chapter “Our Business” on page nos. 103, 136 and 79 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.



## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of the Director	Date of Appointment / Change in designation	Reason for Change
Mr. Danish Zakaria Aghadi	June 20, 2019	Appointment as First Director
Ms. Nazish Furniturewala	June 20, 2019	Appointment as First Director
Ms. Swati Semwal	June 20, 2019	Appointment as First Director
Ms. Swati Semwal	November 11, 2019	Resignation as Director
Ms. Sony Pandey	November 11, 2019	Appointment as Additional Non Executive Independent Director
Mr. Danish Zakaria Aghadi	August 26, 2020	Change in designation to Managing Director
Ms. Sony Pandey	August 27, 2020	Regularisation as Non Executive Independent Director
Mr. Rahul Dayama	August 27, 2020	Appointment as Non Executive Independent Director

## CORPORATE GOVERNANCE

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Company has four (4) Directors comprising of one (1) Managing Directors, one (1) Non Executive Non Independent Director and two (2) Non Executive Independent Directors. Further, we have two (2) Women Directors on our Board.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;

### A. AUDIT COMMITTEE

Our Board has constituted the Audit Committee vide Board Resolution dated August 27, 2020 in accordance with the Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Rahul Dayama	Non Executive Independent Director	Chairman
Ms. Sony Pandey	Non Executive Independent Director	Member
Mr. Danish Zakaria Aghadi	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

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



- 
- Oversight of the Issuer’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - 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.
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    1. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    2. Changes, if any, in accounting policies and practices and reasons for the same.
    3. Major accounting entries involving estimates based on the exercise of judgment by management.
    4. Significant adjustments made in the financial statements arising out of audit findings.
    5. Compliance with listing and other legal requirements relating to financial statements.
    6. Disclosure of any related party transactions.
    7. Qualifications in the draft audit report.
  - Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
  - 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/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.
  - Review and monitor the auditor’s independence and performance, and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the Company with related parties.
  - Scrutiny of inter-corporate loans and investments.
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - 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.
  - Discussion with internal auditors any significant findings and follow up there on.
  - 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.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.
5. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

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

### **Meeting Of Audit Committee and Relevant Quorum**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.



## B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated August 27, 2020 pursuant to Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Ms. Sony Pandey	Non Executive Independent Director	Chairman
Ms. Nazish Furniturewala	Non Executive Non Independent Director	Member
Mr. Danish Zakaria Aghadi	Managing Director	Member

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

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

- Allotment and listing of our shares in future.
- 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;
- 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;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

### Meeting of Stakeholder's Relationship Committee and Relevant Quorum

The quorum necessary for a meeting of the Stakeholder's Relationship Committee shall be two members or one third of the members, whichever is greater.

## C. NOMINATION AND REMUNERATION COMMITTEE

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated August 27, 2020 pursuant to Regulation 19 of the SEBI Listing Regulations and section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Rahul Dayama	Non Executive Independent Director	Chairman
Ms. Sony Pandey	Non Executive Independent Director	Member
Ms. Nazish Furniturewala	Non Executive Non Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;





- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### **Meeting of Stakeholder's Relationship Committee and Relevant Quorum**

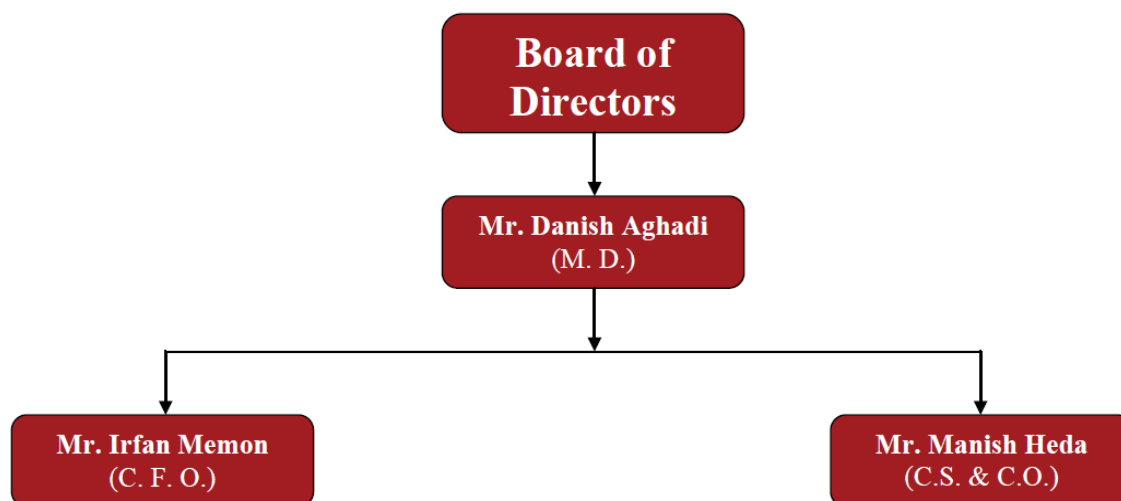
The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

#### **POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.



## ORGANIZATIONAL STRUCTURE



### Terms & Abbreviations

M. D.	-	Managing Director
C.F.O.	-	Chief Financial Officer
C.S & C.O.	-	Company Secretary and Compliance Officer

### KEY MANAGERIAL PERSONNEL

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

**Mr. Irfan Memon**, aged 37 years is the Chief Financial Officer of our Company. He has obtained a bachelors degree in commerce from Veer Narmad South Gujarat University. He has overall experience of 17 years in the field of Financial & Accounts. Before joining our company, he was working with M/s. L. M. Shah & Associates and has been associated with our Promoter Group Company, Mumbra Entertainment Private Limited. He was appointed in our Company at the position of Head Accountant in the year April 2020. He was further promoted and designated as a CFO of our Company as on August 26, 2020. He is currently responsible for all the finance related matters of the company. Compensation paid during last financial year was ₹ Nil.

**Mr. Manish Heda**, aged 30 years is the Company Secretary and Compliance Officer of our Company. He has been appointed as the Company Secretary and Compliance Officer of our Company with effect from August 26, 2020. He is a Qualified Company Secretary and is also a member of the Institute of Company Secretaries of India. He has 4 years of experience in the field of internal audit, secretarial laws, due diligence and other compliances. Prior to joining our Company, he has worked with Everlon Synthetics Limited. Compensation paid during last financial year was ₹ Nil.

### Other Notes –

- The aforementioned KMP's are on the payrolls of our Company as permanent employees.
- Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. For details, please see the chapter titled “*Financial Statements- Annexure XXVI – Statement of Related Party Transactions*” on page no. 136 of this Draft Prospectus.

### RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL

None of the aforementioned KMPs are related to each other.



## **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL**

None of our KMPs holds any shares of our Company as on the date of this Draft Prospectus.

## **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL**

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

## **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

## **Loans taken by Key Management Personnel**

None of our Key Managerial Personnel have any outstanding loan from our Company as on the date of this Draft Prospectus.

## **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

## **BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS AND KEY MANAGEMENT PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. However, our Company makes performance linked bonus payments, in accordance with their terms of appointment.

## **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form part of their remuneration.

## **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Presently, we do not have ESOP/ESPS scheme for employees.

## **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL**

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Prospectus, or is intended to be paid or given, other than in the ordinary course of their employment.

## **CHANGES IN OUR KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT PROSPECTUS**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Draft Prospectus are set forth below.


<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in designation</b>
Mr. Irfan Memon	Chief Financial Officer	August 26, 2020
Mr. Manish Heda	Company Secretary and Compliance Officer	August 26, 2020



## OUR PROMOTER AND PROMOTER GROUP

As on the date of this Draft Prospectus, our Promoter hold 23,00,000 Equity Shares, representing almost 100.00% of the pre-Issue paid-up Equity Share capital of our Company.

The details of our Promoter are as under:

<b>MR. DANISH ZAKARIA AGHADI</b>	
	Mr. Danish Zakaria Aghadi, aged 27 years is the Promoter and Managing Director of our Company. He is an entrepreneur with primary interests in real Estate and entertainment fields and has over 7 years of business experience. With an intention to capitalise on his passion for acting and music, he started this business under his proprietorship firm, M/s. First Step Entertainment Capital, wherein he provided digital content platform to various talent in the field of entertainment with a focus on short contents. Thereafter, in June 2019 he incorporated this Company with a view to corporatize the proprietary concern business. He has completed a certificate course in Acting and Dance from Actor Prepares - The School for Actor (Anupam Kher's) in 2016. Further, he has attended various acting and theatre workshop and has developed his skill as an actor and film maker. He is also actively involved in theatres, TV commercial, Short Films and Films. As our Managing Director, he is instrumental in devising and implementing the overall strategy and growth of our Company and also is instrumental in maintaining cordial relations with various online portal and OTT services provider.
<b>Other Interests</b>	<ul style="list-style-type: none"><li>• Enen Trading And Properties Private Limited</li><li>• Mumbra Entertainment Private Limited</li><li>• Carmona Resorts And Realities Private Limited</li><li>• Finchley Properties And Hospitalities Private Limited</li><li>• Dane Realtors And Resorts Private Limited</li><li>• Gulnar Infra LLP</li><li>• Warey Niyare Infra LLP</li></ul>
<b>Aadhaar Card</b>	3992 2921 0962
<b>Driving License</b>	MH02 20090214987
<b>PAN</b>	ABBPF6374L
<b>Passport Number</b>	U1621257
<b>Personal Address</b>	Flat No. 62, Perry Dert Building, 6 <sup>th</sup> Floor, 22, Perry X Road, Bandra (West), Mumbai – 400 050.
<b>Date of Birth</b>	November 04, 1991
<b>Bank Details</b>	DCB Bank, Versova Branch, Mumbai - 400 061 A/c No.: 01712500010122

For the complete profile of our Promoter - educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management*” on page no. 103 of this Draft Prospectus.

### Declaration

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoter has been submitted to the Stock Exchange(s) at the time of filing of the Draft Prospectus with the Stock Exchange(s).

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

Our Promoter has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities law has been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or is currently pending against him. None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter is or was associated as a promoter, director or person in control, are



debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### **Change in Control of our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

### **Experience of our Promoter in the Business of our Company**

For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “*Our Management*” beginning on page no. 103 of this Draft Prospectus.

### **Interest of Promoter**

Our Promoter does not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by him or his relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by him or his relatives and associates or held by the companies, firms and trusts in which he is interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 49, 119 and 103 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled “*Annexure XXVI – Related Party Transactions*” on page no. 136 of this Draft Prospectus.

### **Interest of Promoter in the Promotion of our Company**

Our Company is currently promoted by the promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoter in the Property of our Company**

Our Promoter has confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus except as mentioned under the section “*Our Business - Properties*” and “*Annexure XXVI - Related Party Transactions*” on page nos. 91 and 136 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no. 79 of this Draft Prospectus our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

### **Business Interests**

Our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.



## Payment of Amounts or Benefits to the Promoter or Promoter Group During the last two years

Except as stated in the Section titled “Financial Information - Annexure XXVI –Related Party Transactions” on page no. 136 of this Draft Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Draft Prospectus.

## Material Guarantees

Except as stated in the “Financial Information” beginning on page no. 119 of this Draft Prospectus, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

## Our Promoter Group

Apart from our Promoter, as per Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

### A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

Sr. No.	Name of the Relative	Nature of Relation	Relationship with the Promoter
1.	Mr. Danish Zakaria Aghadi <sup>(1)</sup>	Late Mr. Zakir Aghadi	Father
		Late Mrs. Hajrabai Aghadi	Mother
		Ms. Zora Furniturewala	Sister

<sup>(1)</sup> Vide adoption deed October 25, 2000, Mr. Danish Zakaria Aghadi (born to Mr. Irfan Furniturewala and Mrs. Nuzhat Furniturewala) was adopted by Mrs. Hajrabai Aghadi

### B. Companies / Corporate Entities Forming Part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity/Company
1.	Enen Trading And Properties Private Limited
2.	Mumbra Entertainment Private Limited
3.	Carmona Resorts And Realities Private Limited
4.	Finchley Properties And Hospitalities Private Limited
5.	Dane Realtors And Resorts Private Limited
6.	Gulnar Infra LLP
7.	Warey Niyare Infra LLP

## Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 50 of this Draft Prospectus.

## Companies with which the Promoter has disassociated in the last three years

Except as mentioned below our Promoter has not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Name of the Company	Date of Cessation of Directorship
Lake Side Neighbourhood Education And Recreation Society Private Limited	January 31, 2019





---

## **Outstanding Litigation**

There is no outstanding litigation against our Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 18 and 148 of this Draft Prospectus.



---

## DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. 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.



## SECTION VII – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS OF NET PIX SHORTS DIGITAL MEDIA LIMITED

To,  
**The Board of Directors,**  
**Net Pix Shorts Digital Media Limited**  
1402, Z A Towers, Zohra Aghadi, Yari Road,  
Versova, Andheri West,  
Mumbai – 400 061

Dear Sir / Ma’am,

1. We have examined the attached Restated Summary Statement along with the significant accounting policies and related notes of Net Pix Shorts Digital Media Limited (the 'Company') as at and for the financial year ended March 31, 2020, annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer (“IPO”).
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - i. Section 26 of Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft / Prospectus being issued by the Company for its proposed IPO of equity shares.
  - iv. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
3. We have examined the accompanied ‘Restated Statement of Profit and Loss’ (**Annexure – II**) for the financial year ended on March 31, 2020 and the ‘Restated Statement of Assets and Liabilities’ (**Annexure – I**) as on that date, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company’s management. The information has been extracted from the financial statements for the financial year ended on March 31, 2020. The Financial Statements for the financial year ended March 31, 2020 have been audited by us.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Net Pix Shorts Digital Media Limited, we, M/s. B. L. Dasharda & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we further report that:
  - a. The Restated Statement of Assets and Liabilities of the Company for the financial year ended on March 31, 2020 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
  - b. The Restated Statement of Profit and Loss of the Company for the financial year ended March 31, 2020 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and



regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.

- c. The Restated Statement of Cash Flows of the Company for the financial year ended on March 31, 2020 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d. The Restated Financial Statements have been made after incorporating adjustments for:
  - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period / years.
  - ii. Prior period and other material amount in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in **Annexure V**

- e. Such Financial statements do not require any corrective adjustments on account of:
  - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the financial year ended on March 31, 2020.
  - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
7. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

- i) Schedule of Share Capital (Annexure - VI)
- ii) Schedule of Reserves & Surplus (Annexure - VII)
- iii) Schedule of Long Term Borrowings (Annexure - VIII)
- iv) Schedule of Trade Payables (Annexure - IX)
- v) Schedule of Short Term Provisions (Annexure - X)
- vi) Schedule of Other Current Liabilities (Annexure - XI)
- vii) Schedule of Fixed Assets (Annexure - XII)
- viii) Schedule of Deferred Tax Assets (Annexure - XIII)
- ix) Schedule of Inventories (Annexure - XIV)
- x) Schedule of Trade Receivables (Annexure - XV)
- xi) Schedule of Cash and Cash Equivalents (Annexure - XVI)
- xii) Schedule of Short Term Loans & Advances (Annexure - XVII)
- xiii) Schedule of Other Current Assets (Annexure - XVIII)
- xiv) Schedule of Revenue from Operations (Annexure - XIX)
- xv) Schedule of Other Income (Annexure - XX)
- xvi) Schedule of Direct Expenses (Annexure - XXI)
- xvii) Schedule of Changes in Inventory (Annexure - XXII)
- xviii) Schedule of Employee Benefit Expenses (Annexure - XXIII)
- xix) Schedule of Finance Cost (Annexure - XXIV)
- xx) Schedule of Other Expenses (Annexure - XXV)
- xxi) Schedule of Related Party Transactions (Annexure - XXVI)
- xxii) Schedule of Dividend Declared (Annexure - XXVII)
- xxiii) Schedule of Contingent Liability (Annexure - XXVIII)
- xxiv) Statement of Tax Shelter (Annexure - XXIX)



8. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXIX read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

9. This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit reports issued by us or earlier Statutory Auditors nor should this report be construed as a new opinion on any of the financial statement referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For B. L. Dasharda & Associates**

*Chartered Accountants*

FRN: 112615W

Sd/-

**CA Sushant Mehta**

*Partner*

M. No.: 112489

Place: Mumbai

Date: September 02, 2020

UDIN: 20112489AAAAHU9387



**Annexure I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>
<b>EQUITY AND LIABILITIES</b>	
<b>1.Shareholder's fund</b>	
a) Share Capital	160.01
b) Reserves and surplus	2.28
<b>Total Shareholder's Fund (1)</b>	<b>162.29</b>
<b>2. Non-Current liabilities</b>	
Long Term Borrowings	225.10
<b>Total (2)</b>	<b>225.10</b>
<b>3.Current liabilities</b>	
a) Trade payables	132.76
b) Other Current liabilities	3.65
c) Short Term Provisions	1.09
<b>Total (3)</b>	<b>137.50</b>
<b>TOTAL (1+2+3)</b>	<b>524.88</b>
<b>ASSETS</b>	
<b>1.Non - Current Assets</b>	
a) Property, plant & equipment	
i.) Tangible assets	12.70
ii.) Intangible assets	1.60
iii) Work in Progress	-
b) Deferred Tax Assets (Net)	0.32
<b>Total (1)</b>	<b>14.62</b>
<b>2.Current Assets</b>	
a) Inventories	411.48
b) Trade Receivables	18.00
c) Cash and Bank Balances	66.75
d) Short Term Loans & Advances	8.00
e) Short Term Loans & Advances	4.23
<b>Total (2)</b>	<b>510.27</b>
<b>TOTAL (1+2)</b>	<b>524.88</b>





**Annexure II**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>
<b>INCOME:</b>	
Revenue from operations	18.36
Other Income	0.01
<b>Total Income</b>	<b>18.37</b>
<b>EXPENSES:</b>	
Production Expenses	411.48
Changes in Inventory	(411.48)
Employee benefit expenses	9.33
Finance costs	0.09
Depreciation & Amortization expense	3.65
Other Expenses	2.24
<b>Total expenses</b>	<b>15.32</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>3.05</b>
Prior period items	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>3.05</b>
Exceptional items	-
<b>Profit before extraordinary items and tax</b>	<b>3.05</b>
Extraordinary items	-
<b>Net Profit / (Loss) before tax</b>	<b>3.05</b>
<b>Less: Tax expense</b>	
Current tax	1.09
Deferred tax (assets)/ liabilities	(0.32)
<b>Total tax expense</b>	<b>0.77</b>
<b>Net profit / ( loss ) after tax</b>	<b>2.28</b>



**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>
<b>Cash flow from operating activities:</b>	
<b>Net Profit before tax as per Profit And Loss A/c</b>	<b>3.05</b>
Adjusted for:	
Depreciation & Amortization	3.65
Interest & Finance Cost	0.09
Interest Received	(0.01)
<b>Operating Profit Before Working Capital Changes</b>	<b>6.78</b>
Adjusted for (Increase)/ Decrease:	
(Increase) / Decrease in Inventories	(411.48)
(Increase) / Decrease in Trade Receivables	(18.00)
(Increase) / Decrease in Short Term Loans & Advances	(9.81)
(Increase) / Decrease in Other Current Assets	(4.23)
Increase / (Decrease) in Trade Payables	132.76
Increase / (Decrease) in Other Current Liabilities	3.65
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(300.32)</b>
Add:- Extra-Ordinary Items	-
<b>Cash Generated From Operations</b>	<b>(300.32)</b>
Direct Tax Paid	-
<b>Net Cash Flow from Operating Activities: (A)</b>	<b>(300.32)</b>
<b>Cash Flow From Investing Activities:</b>	
(Increase) / Decrease in Fixed Assets	(17.95)
Interest Received	0.01
<b>Net Cash Flow from Investing Activities: (B)</b>	<b>(17.94)</b>
<b>Cash Flow from Financing Activities:</b>	
Proceeds from issue of equity shares	160.00
Proceeds / (Repayment) from Long-Term Borrowings	225.10
Interest & Finance Cost	0.09
<b>Net Cash Flow from Financing Activities (C)</b>	<b>385.01</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>66.75</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>66.75</b>



## ANNEXURE IV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Corporate Information

Net Pix Shorts Digital Media Ltd. is engaged in business of online digital media publishing and content creation. The Company is incorporated during the year on 20th June 2019.

#### 2. Significant Accounting Policies

##### A. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in conformity with accounting principles generally accepted in India. These financial statements are prepared in accordance with the Accounting Standards (“AS”) specified under Section 133 of the Companies Act, 2013, (‘the Act’) read with rule 7 of the Companies (Account) Rules, 2014 and the other relevant provisions of the Companies Act, 1956 to the extent applicable.

Accounting policies have been consistently applied except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard. The management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

##### B. Use of estimates

The preparation of financial statements are in conformity with generally accepted accounting principles (GAAP) requiring management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as on the date of the financial statement. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### C. Current/ non-current classification

All assets and liabilities are classified into current and non-current as follows:

###### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

###### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or



- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **D. Operating cycle:**

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 above which are in accordance with the Schedule III to the Act. Based on the nature of business the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### **E. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### **i. Operating Revenue**

Revenue from Sale of Distribution rights are recognized upon handing over the delivery of the distribution rights / Films to the customer. Revenue from contracts priced on a time material basis are recognized when services are rendered and related costs are incurred. Revenue is reported net of discounts & GST & other applicable taxes.

##### **ii. Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other Income" in the statement of profit and loss.

During the current year, there is no revenue, recognition of which is postponed due to lack of certainty of its ultimate collection.

#### **F. Fixed Assets**

##### **i. Property, Plant & Equipment**

Property, plant and equipment are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Property, plant and equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

##### **ii. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions / deletion is provided on pro-rata basis from / up to the date of such additions / deletions. The management estimates of the useful life of the fixed assets are as follows:



Type of Asset	Useful Life of Asset
Shoot related Equipments (cameras, projectors, etc)	10 years
Props & Production Material	5 years
Computer	3 years

### iii. Intangible Assets

Intangible fixed assets are to be stated at acquisition cost less accumulated amortization and impairment loss. Amortization takes place on a straight line basis over the assets anticipated useful life. The useful life is determined based on the period over which the asset is expected to be used and generally does not exceed 5 years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period.

## G. Valuation of Inventories

The company adopts the following policy with regards to the Short Films produced by it.

The cost of Films comprise of all direct costs incurred in producing the films and indirect costs attributable to such Films. The Films produced is recognized as Closing Stock in the year of Release of Films.

Expenses of under production films incurred till the films are ready for release are shown as Work in Process under Inventories.

The life of each film is assumed to be 15 years and the cost of Films is amortized based on the expected useful life. The amortization starts from the next financial year of acquisition/receipt of certificate.

The company additionally follows the following criteria for amortization of Cost.

Sr. No.	Particulars	Valuation Policy
1	If no Revenue is earned for 2 Years	80% of the Cost or as per Useful life of 15 years whichever is lower
2	If no Revenue is earned for 5 Years	80% of the Cost or as per Useful life of 15 years whichever is lower
3	If no Revenue is earned for 7 Years	80% of the Cost or as per Useful life of 15 years whichever is lower
4	If no Revenue is earned for 10 Years	NIL

## H. Impairment of assets

In accordance with AS 28 – Impairment of Assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated, at higher of the net selling price and the value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost.

## I. Investments

Investments, if any, are stated at cost, unless there is permanent diminishing in the value of the investment.

## J. Retirement and other employee benefits

### i. Defined contribution plan

Retirement benefits in the form of Provident Fund, Pension Fund and Employees State Insurance Fund are not applicable to our Company and hence the same have not been provided.



## **ii. Defined benefit plan**

Gratuity is not applicable to the Company and hence the same has not been provided.

## **iii. Leave encashment**

The Company does not have any leave encashment policy and all the unutilized leaves lapse at the end of the year.

## **K. Foreign Currency Transactions**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses and charged to the Statement of Profit and Loss in the year in which they arise.

## **L. Income taxes**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

### **i. Provision for Taxation**

The provision for tax is based on the assessable profits of the Company computed in accordance with the provisions of the Income Tax Act, 1961.

### **ii. Deferred Tax**

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.





---

#### **M. Earnings per share**

In accordance with the Accounting Standards 20 (AS-20) “Earnings Per Share” issued by the Institute of Chartered Accountants of India, basic/diluted earnings per share is computed using the weighted average number of shares outstanding during the period.

#### **N. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **O. Provisions and contingencies**

All known liabilities till finalization of accounts are provided for except as disclosed in notes to accounts are contingent liability. The company has recognized necessary provisions when there are present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources and a reliable estimate can be made of the amount of the obligation. Such provisions reflect best estimates based on available information.

However, a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. As certified by the management contingent liability not acknowledged as debt – ₹ Nil.

#### **P. Segment Information:**

Due to the nature of business and risk and return profile, the business of the company is considered as a single segment and accordingly there are no separate reportable segment as required by the Accounting standard on segment reporting (AS-17) issued by ICAI.

#### **Q. Prior period item**

Expenses relating to earlier period are debited to profit and loss account, if any. As per information and explanation and records kept by the company, the amount of such expenses and incomes are not fully quantifiable.



**Annexure V**  
**NOTES TO ACCOUNTS**

**1. Managerial Remuneration**

(₹ in lakhs)

Particulars	Year ended March 31, 2020
Salaries and Allowances	1.84

**2. Remuneration to Auditors**

(₹ in lakhs)

Particulars	Year ended March 31, 2020
Audit Fees	-

**3. Deferred Tax**

(₹ in lakhs)

Particulars	Year ended March 31, 2020
Difference	1.29
Tax rate	26%
Net Deferred Tax Liability / (Asset)	0.34
Add: Opening Balance	-
<b>During the year</b>	<b>0.34</b>

4. The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished.

5. The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

**6. Details of foreign Exchange Earnings and Outgo.**

(₹ in lakhs)

Sr. No.	Particulars	Current Period
1	<b>Earning in Foreign Exchange:</b>	
	Hosting Charges received	0.36
2	<b>Expenditure in Foreign Currency:</b>	
(a)	CIF value of Imports	-
(b)	Other Expenditure	-

7. There is no Auditor's Qualification in any of the audited Financial Statements as at and for the financial year ended March 31, 2020.

**ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES**

**Adjustments not having impact on profit**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.



**Annexure VI**  
**STATEMENT OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Authorised Share Capital :</b>	
23,50,000 Equity Shares of ₹ 10/- Each	235.00
<b>Total</b>	<b>235.00</b>
<b>Issued Subscribed and Paid Up Capital:</b>	
16,00,060 Equity Shares of ₹ 10/- Each	160.01
<b>Total</b>	<b>160.01</b>

**Reconciliation of number of shares outstanding:**

Particulars	As at March 31, 2020
Shares outstanding at the beginning of the year	160.01
Shares Issued during the year	-
Shares bought back during the year	-
<b>Shares outstanding at the end of the year</b>	<b>160.01</b>

**Details of Shareholders holding more than 5% shares**

Name of Shareholder	As at March 31, 2020	
	No. of Shares held	% of Holding
Danish Zakaria Aghadi	16,00,000	100.00%
<b>Total</b>	<b>16,00,000</b>	<b>100.00%</b>

**Terms, Rights, preferences and restrictions attached to shares:**

**Terms and rights attached to equity shares**

- The company has issued only one class of equity share having a face value of ₹ 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.
- The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**Annexure VII**  
**STATEMENT OF RESERVES AND SURPLUS**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Surplus</b>	
Opening balance	-
Add: Transfers from Profit & Loss A/c	2.28
<b>Closing Balance</b>	<b>2.28</b>
<b>Total</b>	<b>2.28</b>



**Annexure VIII**  
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Unsecured</b>	
Loan from Director	225.10
<b>Total</b>	<b>225.10</b>

Note: The above loan in unsecured in nature & payable on demand and no interest is paid / payable on the same.

**Annexure IX**  
**STATEMENT OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
- Dues to Micro, Small and Medium Enterprises	-
-Dues to creditors other than micro enterprises and small enterprises	132.76
<b>Total</b>	<b>132.76</b>

**Annexure X**  
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Provision for Income Tax	1.09
<b>Total</b>	<b>1.09</b>

**Annexure XI**  
**STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Salary payable	1.83
Statutory dues Payables (Including PF, PT and TDS)	1.83
<b>Total</b>	<b>3.65</b>

**Annexure XII**  
**STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>A. TANGIBLE ASSETS</b>	
<b>Computer &amp; Printers</b>	
Opening Balance (Gross)	-
Addition during the year	6.25
Reduction during the year	-
Accumulated Depreciation	-
Depreciation during the year	1.58
Depreciation written back	-
<b>Closing Balance (Net)</b>	<b>4.67</b>
<b>Camera</b>	
Opening Balance (Gross)	-
Addition during the year	1.70
Reduction during the year	-
Accumulated Depreciation	-
Depreciation during the year	0.18



Particulars	As at March 31, 2020
Depreciation written back	-
<b>Closing Balance (Net)</b>	<b>1.52</b>
<b>Projector System</b>	
Opening Balance (Gross)	-
Addition during the year	3.00
Reduction during the year	-
Accumulated Depreciation	-
Depreciation during the year	0.56
Depreciation written back	-
<b>Closing Balance (Net)</b>	<b>2.44</b>
<b>Props and Production Material</b>	
Opening Balance (Gross)	5.00
Addition during the year	
Reduction during the year	
Accumulated Depreciation	
Depreciation during the year	0.93
Depreciation written back	
<b>Closing Balance (Net)</b>	<b>4.07</b>
<b>B. INTANGIBLE ASSETS</b>	
<b>Microsoft Original License</b>	
Opening Balance (Gross)	-
Addition during the year	2.00
Reduction during the year	-
Accumulated Depreciation	-
Amortisation during the year	0.40
Amortisation written back	-
<b>Closing Balance (Net)</b>	<b>2.00</b>
Opening Balance (Gross)	-
Total Addition of Tangible Assets	15.95
Total Addition of Intangible Assets	2.00
Total Reduction/ Sale of Fixed Asset	-
Tangible Gross Block	15.95
Accumulated Depreciation (Opening)	-
Depreciation during the year	3.25
<b>Net Block Tangible Assets</b>	<b>12.70</b>
Intangible Gross Block	2.00
Accumulated Amortisation (Opening)	-
Amortisation during the year	0.40
<b>Net Block Intangible Assets</b>	<b>1.60</b>
<b>Total Net Block</b>	<b>14.30</b>

**Annexure XIII**  
**STATEMENT OF DEFERRED TAX ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Deferred Tax Asset (Net)</b>	
Opening Balance	-
Add: Deferred Tax Assets arising on account of temporary differences	0.32
<b>Closing Balance</b>	<b>0.32</b>



**Annexure XIV**  
**STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Inventories – Closing Stock	260.71
Work in Process	150.77
<b>Total</b>	<b>411.48</b>

**Annexure XV**  
**STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Trade receivable outstanding for a period not exceeding six months from the date they were due for payment</b>	
Secured, Considered Good	-
Unsecured, Considered Good	18.00
Doubtful	-
<b>Trade receivable outstanding for a period exceeding six months from the date they were due for payment</b>	
Secured, Considered Good	-
Unsecured, Considered Good	-
Doubtful	-
<b>Total</b>	<b>18.00</b>

**Annexure XVI**  
**STATEMENT OF CASH & BANK BALANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Cash and Cash Equivalents</b>	
Cash-in-Hand	0.72
<b>Balance with Scheduled Banks</b>	
On Current Account	0.50
On Fixed Deposits	65.53
<b>Total</b>	<b>66.75</b>

**Annexure XVII**  
**STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Advances Recoverable in Cash or Kind	8.00
Advance to Suppliers	0.31
Advance to Staff	1.50
<b>Total</b>	<b>9.81</b>

**Annexure XVIII**  
**STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Preliminary Expense	4.23
<b>Total</b>	<b>4.23</b>





**Annexure XIX**  
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Digital Media Publishing & Licensing Receipts	18.36
<b>Total</b>	<b>18.36</b>

**Annexure XX**  
**STATEMENT OF OTHER INCOME, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Interest Income on FD	0.01
<b>Total</b>	<b>0.01</b>

**Annexure XXI**  
**STATEMENT OF DIRECT EXPENSES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Production Expenses	411.48
<b>Total</b>	<b>411.48</b>

**Annexure XXII**  
**STATEMENT OF CHANGES IN INVENTORY, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Opening WIP of Films and Distribution Rights	-
Opening Stock of Films and Distribution Rights	-
Less : Work In Process of Films and Distribution Rights of Films	(150.77)
Less : Closing Stock of Films and Distribution Rights of Films	(260.71)
<b>Total</b>	<b>(411.48)</b>

**Annexure XXIII**  
**STATEMENT OF EMPLOYEE BENEFIT EXPENSES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Staff Salary	7.49
Director's Remuneration	1.84
<b>Total</b>	<b>9.33</b>

**Annexure XXIV**  
**STATEMENT OF FINANCE COST, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Bank Charges	0.09
<b>Total</b>	<b>0.09</b>

**Annexure XXV**  
**STATEMENT OF OTHER EXPENSES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Conveyance Charges	1.32
Professional Fees	0.25
Electricity Charges	0.04



Internet Expenses	0.06
Marketing Expenses	0.05
Shooting Expenses	0.50
Profession Tax-Co.	0.03
<b>Total</b>	<b>2.34</b>

#### Annexure XXVI

#### STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties with whom transactions have taken place are disclosed below:

(i) Key Managerial Personnel with whom transactions have taken place

<b>For the year ended March 31, 2020</b>
- Mr. Danish Zakaria Aghadi
- Ms. Nazish Furniturewala

(ii) Relatives of Key Managerial Personnel with whom transactions have taken place

<b>For the year ended March 31, 2020</b>
-

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence with whom transactions have taken place

<b>For the year ended March 31, 2020</b>
M/s. Camel Stationary
M/s. Crescent Talent
M/s. On demand Talent
M/s. Star Light Talent Mgmt

(iv) Particulars of Transactions with the above mentioned Related Parties

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>
<b>Salary and Remuneration paid</b>	
- Mr. Danish Zakaria Aghadi	1.83
<b>Professional Fees</b>	-
- Ms. Nazish Furniturewala	0.40
<b>Production Services paid</b>	
M/s. Camel Stationary	16.80
M/s. Crescent Talent	29.36
M/s. On Demand Talent	30.88
M/s. Star Light Talent Mgmt	35.15
<b>Loan Taken</b>	-
- Mr. Danish Zakaria Aghadi	283.10
<b>Loan Repaid</b>	
- Mr. Danish Zakaria Aghadi	58.00



(v) Particulars of Outstanding Balance of the Related Parties

Particulars	As at March 31, 2020
<b>Payable</b>	
- Mr. Danish Zakaria Aghadi	1.84
- M/s. Camel Stationary	1.26
- M/s. Crescent Talent	3.90
- M/s. Star Light Talent Mgmt	2.92
<b>Receivable</b>	
- M/s. On Demand Talent	0.31
<b>Loan Outstanding</b>	
- Mr. Danish Zakaria Aghadi	225.10

**Annexure XXVII**  
**STATEMENT OF DIVIDEND DECLARED, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>On Equity Shares</b>	
Fully Paid up Share Capital (₹ in lakhs)	160.01
Face Value (₹)	10.00
Paid up value per share (₹)	10.00
Rate of Dividend	-
Total Dividend	-
Corporate Dividend tax on above	-

**Annexure XXVIII**  
**STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31, 2020
Contingent Liabilities	-
<b>Total</b>	-

**Annexure XXIX**  
**STATEMENT OF TAX SHELTER, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31, 2020
<b>Tax Rates</b>	
Income Tax Rate (%)	25.17%
Minimum Alternate Tax Rate (%)	19.24%
<b>Income from Business or Profession</b>	
Restated Income before tax as per books (A)	3.05
<b>Income considered separately</b>	
Interest income (B)	(0.01)
<b>Permanent Differences (C)</b>	-
<b>Timing Differences</b>	
Depreciation as per Companies Act, 2013	3.65
Depreciation as I.T. Act, 1961	2.38
<b>Total Timing Differences (D)</b>	<b>1.28</b>



<b>Income From Business or Profession (E)=(A-B+C+D)</b>	<b>4.31</b>
<b>Income from Other sources (F)</b>	
Interest on Fixed Deposit	0.01
<b>Taxable Income/(Loss) (G= E + F)</b>	<b>4.32</b>
<b>Total Tax on above</b>	<b>1.09</b>
Book Profits	3.43
MAT on Book Profit	0.59
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>

**Note:**

The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in the Accounting Policies in the last three (3) years.

**CHANGES IN ACCOUNTING PERIOD**

There has been no change in the accounting period of the Company.



## OTHER FINANCIAL INFORMATION

### STATEMENT OF ACCOUNTING RATIOS

(₹ in lakhs)

Particulars	For the year ended March 31, 2020
Restated PAT as per P & L Account	2.28
Actual Number of Equity Shares outstanding at the end of the year	16,00,060
Equivalent Weighted Average number of Equity Shares at the end of the year	16,00,060
Share Capital	160.01
Reserves & Surplus	2.28
Misc. Expenses not w/off	4.23
Net Worth	158.06
<b>Earnings Per Share:</b>	
Basic & Diluted	0.14
Return on Net Worth (%)	1.44%
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year	9.88
Nominal Value per Equity share (₹)	10.00

<sup>(1)</sup> Not Annualised

#### Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

$$\text{a) Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year / period}}$$

$$\text{b) Return on Net worth (\%)} = \frac{\text{Net profit / loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

$$\text{c) NAV per Equity Share (₹)} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

- 2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during 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 period.
- 3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.
- 4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- 5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective period. The above statements should be read with the Notes to Restated Financial Statements.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our business was originally being run as a proprietorship named M/s. First Step Entertainment Capital. Further, our Company was incorporated on June 2019, as a public limited company under the name Net Pix Shorts Digital Media Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai with a vision to corporatize the business. The business takeover of M/s. First Step Entertainment Capital (Proprietor Mr. Danish Zakaria Aghadi) was effected along with the incorporation of the herein mentioned Company and vide MoU dated June 20, 2019, such that our Promoter Mr. Danish Zakaria Aghadi was allotted 16,00,000 equity shares in lieu of his proprietor capital through the Company's first Memorandum.

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on various digital online portals and OTT platforms. The online digital media industry is a continuously evolving technological industry and we endeavour to exploit these technological advances to reach audiences in India and globally with entertaining, socially relevant and heart-felt content.

Our objective is to offer a platform for enabling digital online entertainment by creating and / or procuring short content in order to make our platform a preferred choice for short content audiences. We started our online content distribution through the internationally renowned 'YouTube' portal and our channel – "Net Pix Shorts" went live on January 08, 2018. Currently, we have released 10 titles consisting of 12 videos on our YouTube channel aggregating to 154.94 minutes of content, which has received approximately 3,10,72,405 aggregate views as on September 05, 2020. We have also received the Silver Creator award from YouTube for crossing 1,00,000 subscribers and currently, we have having 2,46,000 subscribers to our channel. As on date of this Draft Prospectus, we also have 8 short films which are under production aggregating to approximately 155.84 minutes of content. Besides, some of our videos are also uploaded on various other digital online portals like Hungama Play, Sony Liv, Mx Player, Shorts TV and Hotstar, either directly or through our media partners.

We have recently launched our own music channel on YouTube – 'Net Pix Raw Music' which went live August 14, 2020. The idea behind the music channel is to invite new and young musicians to showcase their talents on a global platform, where we offer them an online platform through our channel partners and OTT platform arrangements. As a newly launched channel, we have uploaded four (4) music videos aggregating to 15.70 minutes of content and are currently in process to add more music content to this channel. These four (4) titles on this channel have received an aggregate of 4,10,650 views as on September 05, 2020. Having recently launched the channel, we already have more than 1,53,000 subscribers on Net Pix Raw Music. This music channel provides an open platform for budding talents who are given an opportunity to display their content of songs and music videos made with fresh ideas and ambitions.

### COMPETITION

The media and entertainment industry is highly competitive and unorganized, with no single company controlling significant market share in the business. We face competition from both organized and unorganized players in the market. Our main competitors are other organized companies in these segments. We compete under the name and style "Net Pix Shorts". Amongst the players, we consider Pocket Films, TVF, Dice Media, SIT, Excel Entertainment, Balaji Telefilms, Ding Entertainment and many more as major competitors in our business. Competition is generally based on the contents, concept, copy rights and cast. The contents that are being published over these platforms are either created by them i.e. by our in-house production or could be acquired through outright purchase or through syndicated method.





We believe that we are able to compete effectively in the markets with our presence because of the quality of contents, the strength of our brand equity and our reputation.

We also expect further competition from large national and international online media publishing houses and content creation companies, who have access to a fully functional OTT platforms and an established set-up for content creation in the form of films, web series, short films, etc. We will compete in terms of our unique story-telling and social causes depicted in our videos thus attempting to create a niche in the short films segment. Our challenge will be to establish our Company's reputation and eligibility for better contents including short films, web series and music.

### **Significant Developments after March 31, 2020 that may affect our future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### **FACTORS AFFECTING OUR RESULT OF OPERATION**

Our business is subject to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" on page no. 18 of this Draft Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

#### ***Revenue Generation***

We earn our revenue from providing digital media on various online portals and OTT platforms and licensing fees for our content in the form of short films. Our revenues also include licensing fees for theatrical release and international of our short films through various online platforms.

We offer a platform for enabling digital online entertainment by creating and / or procuring short content in order to make our platform a preferred choice for short content audiences. Currently, we have released 10 titles consisting of 12 videos on our YouTube channel Net Pix Shorts and 4 music videos on our YouTube channel Net Pix Raw Music, aggregating to 167.63 minutes of content, which has received approximately 3,14,83,055 aggregate views as on September 05, 2020. We aim at increasing our overall viewership through continuous process improvement, better brand associations and better project evaluations, talent management, consistent quality and technology development.

#### ***Our ability to successfully implement our strategy and our growth and expansion plans***

We have recently begun our journey as corporate entity and have acquired the business of the Erstwhile Proprietorship to own various contents which have been published on the online digital space worldwide and we expect our businesses to continue to grow significantly. Our future growth is subject to risks arising from changing audience tastes and preferences, ability to keep up with the technological advancements and inability to retain and recruit skilled staff. Although, we plan to continue to expand our scale of operations through organic growth, including creating more and variety of online content and also launching our own web based application, we may not grow at a rate comparable to our growth rate estimated by us, either in terms of income or profit or work quality. Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

- maintaining high levels of talent management and customer satisfaction;
- recruiting, hiring, training and retaining sufficient skilled management and technical personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- launching our OTT platform for increased scope of revenue generation
- making accurate assessments of the resources we will require;



- adhering to the standards of health, safety and environment and quality and process execution;
- preserving a uniform culture, values and work environment;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- managing relationships with media partners, suppliers, film-makers, technicians, film-professionals, investors, lenders and service providers; and
- supporting internal infrastructure such as IT and HR management systems.

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

### ***Success of our Content***

The demand for any content including short films, web series, & music videos depends substantially on consumer tastes & preferences that change frequently and in unpredictable ways. With the growing trend of online availability of content, today's consumers have a wide variety of genres available at a single click and thus their tastes vary rapidly. It is extremely difficult to ascertain a particular genre to be successful and that any short film or web series based on a particular concept will be appeal to the audiences or not. The economic success of our any content depends on many factors including but not limited to, the consumer tastes, the cast, the marketing of the content and other tangible and intangible factors, all of which cannot be accurately predicted. As on the date of this Draft Prospectus, our Company and our Promoter have published 10 short films and 4 Music videos on our YouTube channels – Net Pix Shorts & Net Mix Raw Music, respectively, and other online and OTT platforms, each of them have varying viewership and success. We believe we are still at a growing stage and have limited experience in publishing short films and web series as compared to certain of our competitors, which could adversely affect the quality and consequently the profitability of the contents we publish online. Our limited experience may also make it more difficult to attract and retain creative talent. This could result in losses, which could have a material adverse effect on our business prospects and financial condition.

### ***Relationship with Media Partners and Online Platforms***

Our distribution platforms include various digital online portals and OTT platforms and they play a significant role in digital media. Our Company has entered into an agreement with various industry players to provide the platform and the said relationship is established through our existing network formed by experienced team. We have currently entered into an agreement with like Google (YouTube), Hungama, Hotstar, MX Player, Amazon Prime Music, Jio Saavn and Gaana to name a few for short films and music (including music videos). Any failure to maintain these relationships with the aforementioned platform owners or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business prospects, financial condition and results of operations.



## RESULTS OF OUR OPERATIONS

(₹ in lakhs)

Particulars	As at March 31, 2019	%
<b>INCOME</b>		
Revenue from Operations	18.36	99.94%
Other Income	0.01	0.06%
<b>Total Income (A)</b>	<b>18.37</b>	<b>100.00%</b>
<b>EXPENDITURE</b>		
Direct Expenses	411.48	2,239.93%
Changes in Inventory	(411.48)	-2,239.93%
Employee Benefit Expenses	9.33	50.81%
Depreciation and Amortisation Expense	3.65	19.90%
Finance Cost	0.09	0.51%
Other Expenses	2.24	12.20%
<b>Total Expenses</b>	<b>15.32</b>	<b>83.42%</b>
<b>Net Profit before tax (C)</b>	<b>3.05</b>	<b>16.58%</b>
<i>Tax expense :</i>		
(i) Current tax	1.09	5.92%
(ii) Deferred tax (asset) / liability	(0.32)	-1.75%
<b>Total Tax Expense (D)</b>	<b>0.77</b>	<b>4.17%</b>
<b>Profit for the year (C-D)</b>	<b>2.28</b>	<b>12.41%</b>

### *Main Components of our Profit and Loss Account*

#### **Income**

Our total income comprises of revenue from operations and other income.

#### *Revenue from Operations*

Our revenue from operations consists of income from our YouTube channel, and licensing fees. As a percentage of total income, our revenue from operations was 99.94% for the fiscal year 2020.

#### *Other Income*

Our other income includes mainly Interest income. Other income, as a percentage of total income was 0.06% for the fiscal year 2020.

#### **Expenditure**

Our total expenditure primarily consists of Direct Expenses, Employee Benefit Expenses, Depreciation & Amortisation Expenses, Finance Cost and Other Expenses.

#### *Direct Expenses*

Direct Expenses include the production expenses incurred for creation of the content in the form of short films. It includes various costs like talent acquisition, production expenses and post-production expenses.

#### *Employee Benefit Expenses*

Expenses in relation to employee's remuneration and benefits include salary, statutory employee payments, allowances and directors remuneration.



### *Depreciation and Amortization Expenses*

Depreciation and Amortization Expenses primarily consist of depreciation on the fixed assets of our Company which primarily includes Computers, shooting equipments, recording equipments, Short Film content and software licenses.

### *Finance Cost*

Finance cost currently includes the bank charges incurred during the course of the year, primarily current account charges and other service charges.

### *Other Expenses*

Other expenses primarily include office expenses, conveyance expenses, professional fees, shooting expenses, marketing expenses, statutory expenses, etc.

### *Provision for Tax*

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

### **Review of operation for the year ended March 31, 2020**

Since the company started their business operations from June 20, 2019, so income and expenses are shown in the books of accounts of the company from the period started from June 20, 2019 to March 31, 2020 and no comparison with earlier years is applicable. Our total income for fiscal 2020 was ₹ 18.37 lakhs. In the current period, the revenue earned from operations is ₹ 18.36 lakhs or 99.94% of the total income. There is no other income for the said period was recorded as part of total revenue.

### *Income*

Revenue from operation for the year ended March 31, 2020 amounted to ₹ 18.36 lakhs which was primarily on account of licensing fees of our content and income from channel partners.

Other income for year ended March 31, 2020 was ₹ 0.01 lakhs which comprise of Interest income from FD.

### *Direct Expenses*

Direct expenses for the year ended March 31, 2020 amounted to ₹ 411.48 lakhs which is in relation to production expenses like talent acquisition, production expenses and post-production expenses, incurred on content creation.

### *Employee Benefit Expenses*

Employee benefit expenses for the year ended March 31, 2020 amounted to ₹ 9.33 lakhs which is in relation to employee’s remuneration and benefits include salary, allowances and directors remuneration.

### *Depreciation and Amortization Expenses*

Depreciation and amortisation expenses for the year ended March 31, 2020 amounted to ₹ 3.65 lakhs which primarily consist of depreciation on the fixed assets of our Company which includes tangible assets like computers, shooting equipments, recording equipments, and intangible assets like software licenses.



### *Finance Cost*

Finance Cost for the year ended March 31, 2020 amounted to ₹ 0.09 lakhs which primarily includes bank charges conveyance expenses, professional fees, shooting expenses, marketing expenses, statutory expenses, etc.

### *Other Expenses*

Other expenses for the year ended March 31, 2020 amounted to ₹ 2.24 lakhs which primarily include office expenses, conveyance expenses, professional fees, shooting expenses, marketing expenses, statutory expenses, etc.

### *Profit before Tax*

Profit before tax for the year ended March 31, 2020 amounted to ₹ 3.05 lakhs which is 16.58 % of the total revenue.

### *Tax Expenses*

Tax expenses for the year ended March 31, 2020 (June 20, 2019 till March 31, 2020) amounted to ₹ 1.09 lakhs which is 5.92% of the total revenue. Total tax comprises of current tax and deferred tax liability.

### *Profit after Tax*

Profit after tax the year ended March 31, 2020 amounted to ₹ 2.28 lakhs which is 12.41% of the total revenue.

## **CASH FLOWS**

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>
Net Cash (used)/from Operating Activities	(300.32)
Net Cash (used)/from Investing Activities	(17.94)
Net Cash (used)/from Financing Activities	385.01

### ***Cash Flows from Operating Activities***

Net cash from operating activities in fiscal 2020 was negative ₹ 300.32 lakhs as compared to the PBT of ₹ 3.05 lakhs for the same period. This difference is primarily on account of inventories, trade payables, depreciation, trade receivables, other current assets and other current liabilities and short term provisions.

### ***Cash Flows from Investment Activities***

In fiscal 2020, the net cash invested in Investing Activities was negative ₹ 17.94 lakhs. This was primarily on account of purchase of fixed assets.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in fiscal 2020 was ₹ 385.01. This was mainly on account of proceeds from issue of equity share and long term borrowings.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Draft 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 “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on page nos. 119 and 140 of this Draft



Prospectus respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 18 and 140 of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 18 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in introduction of new projects and licensing of contents given out by the Company.

**6. Total turnover of each major industry segment in which our Company operates.**

Our Company is a technology based entertainment company operating in the niche segment of online short film contents and publishing the same on various digital online portals and OTT platforms. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 65 of this Draft Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 79 of this Draft Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

There is a major dependence on our media partners with we have entered into a non-exclusive licensing agreement and also from the single platform on YouTube.

**10. Competitive Conditions**

Our Company faces competition from large national and international online media publishing houses and content creation companies and from organized and unorganized players. We expect competition to intensify due to possible changes in government policies, technological advancement, changing audience preferences for entertainment avenues, existing competitors further expanding their operations and further many small and medium-sized companies and entities engaged in similar business. This we believe may impact our financial condition and operations.





## CAPITALISATION STATEMENT

### STATEMENT OF CAPITALISATION, AS RESTATED

(₹ in lakhs)

Particulars	Pre Issue (as at March 31, 2020)	Post Issue
<b>Borrowings</b>		
Long term debt (A)	225.10	225.10
Short Term Debt (B)	-	-
<b>Total debts (C=A+B)</b>	<b>225.10</b>	<b>225.10</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	160.01	[•]
Reserve and surplus - as restated (E)	2.28	[•]
<b>Total shareholders' funds (F=D+E)</b>	<b>162.29</b>	<b>[•]</b>
<b>Long term debt / shareholders funds (A / F)</b>	1.39	[•]
<b>Total debt / shareholders funds (C / F)</b>	1.39	[•]

**Note:**

The above has been computed on the basis of Restated Financials of the Company.



## SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no:*

*A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter or Group Companies. Our Board, in its meeting held on August 27, 2020 determined that all litigations pertaining to the company, its directors/promoter/group companies/ subsidiaries which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigation pertaining to the company, its directors/promoter/group companies/subsidiaries which are above a claim amount equal to or exceeding ₹ 1 lakh as material litigation (“Material Litigation”).*

*B. (i) Litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoter during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) 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; or (vi) material frauds committed against our Company in the last five years.*

*C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

*Our Board, in its meeting held on August 27, 2020, determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding ₹ 1 lakh are considered as material by our Board and the same will be disclosed in the Annual report of the Company. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.netpixshorts.com](http://www.netpixshorts.com).*

*Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

#### LITIGATION INVOLVING OUR COMPANY

##### A. LITIGATION AGAINST OUR COMPANY

###### 1. Criminal matters

NIL

###### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

###### 3. Litigation involving Tax Liabilities

###### (i) Direct Tax Liabilities

NIL

###### (ii) Indirect Taxes Liabilities

NIL

###### 4. Other Pending Litigations

NIL



---

**B. LITIGATION FILED BY OUR COMPANY**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

*(i) Direct Tax Liabilities*

NIL

*(ii) Indirect Taxes Liabilities*

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

*(i) Direct Tax Liabilities*

NIL

*(ii) Indirect Taxes Liabilities*

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL



---

### **3. Litigation involving Tax Liabilities**

#### ***(i) Direct Tax Liabilities***

NIL

#### ***(ii) Indirect Taxes Liabilities***

NIL

### **4. Other Pending Litigations**

NIL

## **LITIGATION INVOLVING OUR PROMOTER**

### **A. LITIGATION AGAINST OUR PROMOTER**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3. Litigation involving Tax Liabilities**

#### ***(i) Direct Tax Liabilities***

NIL

#### ***(ii) Indirect Taxes Liabilities***

NIL

### **4. Other Pending Litigations**

*For details pertaining to Litigations filed against our Promoter please refer to the Section titled "Litigations filed against our Directors" in this chapter beginning on page no. 148 of this Draft Prospectus.*

### **B. LITIGATION FILED BY OUR PROMOTER**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3. Litigation involving Tax Liabilities**

#### ***(i) Direct Tax Liabilities***

NIL

#### ***(ii) Indirect Taxes Liabilities***

NIL



#### 4. Other Pending Litigations

- i. *Arbitration Petition (L) no. 315 of 2019 filed by Danish Irfan Furniturewala<sup>(1)</sup> against Memon Co-operative Bank Ltd., Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd. and Irfan Ashraf Furniturewala before Hon'ble Bombay High Court.*

By and under an assignment deed dated September 9, 2015, Danish Irfan Furniturewala ('Petitioner') was assigned rights to the 30 acres of agricultural lands by Irfan Ashraf Furniturewala. The said agricultural lands were inter-alia the subject matter of arbitration proceedings invoked by Memon Co-Operative Bank Ltd. ("Claimant Bank") against Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd and Irfan Ashraf Furniturewala. The Petitioner was never a party to the arbitration proceedings invoked by the Claimant Bank., However, the Claimant Bank made an oral application to the Arbitral Tribunal for joining the Petitioner as party to the arbitration and restrain the Petitioner from transferring or creating any third-party rights over the 30 acres agricultural land and moved an application under Section 17 of the Arbitration and Conciliation Act, 1996. The Arbitral Tribunal granted the oral prayers made by the Claimant Bank. Thereafter, the Petitioner filed an application dated September 16, 2016 inter-alia praying to set aside the order impleading the Petitioner as a party to the arbitration. The Sole Arbitrator vide order dated October 19, 2016 dismissed the application filed by the Petitioner. Further, the Claimant Bank made two applications dated July 28, 2016 and April 16, 2018 under Section 17 of the Arbitration and Conciliation Act, 1996 inter-alia praying that the Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd and Irfan Ashraf Furniturewala be directed to deposit the claim amount of ₹ 23,38,00,000 (Rupees Twenty- Three Crores and Thirty-Eight Lakhs only), and to direct Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd and Irfan Furniturewala to disclose the amounts recovered from the sale of non-agricultural land and the consideration of land purported to be received from Danish Irfan Furniturewala in respect of 30 acres of agricultural land. The Arbitral Tribunal vide its order dated August 7, 2018 restrained the Petitioner from selling, transferring, alienating, encumbering or creating any third-party rights over the agricultural land in dispute till the final disposal of the arbitral proceedings. Being aggrieved by the order dated October 19, 2016 and August 7, 2018, the Petitioner filed an appeal bearing Commercial Arbitration Petition (L) No. 1038 of 2018 before Hon'ble Bombay High Court inter-alia praying to set aside the Orders dated October 19, 2016 and August 7, 2018. In the meantime, the Arbitral Tribunal passed an award dated December 20, 2018 directing the assignment to the Petitioner as null, void and illegal. Being aggrieved by the award dated December 20, 2018, the Petitioner has filed the present Arbitration Petition (L) no. 315 of 2019 inter-alia praying to set aside as the award dated December 20, 2018. Further, the following matters concerning the above subject matter and impleading the Petitioner as party have been filed before the Hon'ble Bombay High Court.

Sr. No	Case no.	Petitioner	Respondents	Status
1.	CARBPL/1038/2018 <sup>(2)</sup>	Danish Irfan Furniturewala	Memon Co-operative Bank Ltd., Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd. and Irfan Ashraf Furniturewala	Pending before the Hon'ble Bombay High Court
2.	CARBP/1428/2019 <sup>(3)</sup>	Irfan Ashraf Furniturewala	Memon Co-operative Bank Limited, Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd and Danish Irfan Furniturewala	Pending before the Hon'ble Bombay High Court
3.	CARBP/1431/2019 <sup>(3)</sup>	Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd.	Memon Co-operative Bank Limited, Irfan Ashraf Furniturewala and Danish Irfan Furniturewala	Pending before the Hon'ble Bombay High Court

<sup>(1)</sup> By the virtue the adoption by late Mrs. Hajrabai Zakaria Aghadi, Mr. Danish bears the full name "Danish Zakaria Aghadi". For further details kindly refer to the Risk Factor 11 on page no. 22 of this Draft Prospectus.

<sup>(2)</sup> Being aggrieved by the Orders dated October 19, 2016 and August 7, 2018 passed by the Arbitral tribunal, Mr Danish Irfan Furniturewala filed an appeal CARBPL/1038/2018 dated September 12, 2018 before the Hon'ble Bombay High Court. In the meantime, an award dated December 20, 2018 was passed by the Arbitral



Tribunal. Subsequently, being aggrieved by an award dated December 20, 2018 passed by the Arbitral Tribunal, Mr. Danish Iran Furniturewala filed an appeal ARBPL/315/2019 filed before the Hon'ble Bombay High Court. CARBPL/1038/2018 and ARBPL/315/2019 are pending before Hon'ble Bombay High Court.

<sup>(3)</sup> Mr Danish Irfan Furniturewala is included as a Respondent in the above matter as he was made a party to the arbitration matter. However, the Irfan Ashraf Furniturewala or Lakeside Neighbourhood Education & Recreation Society Pvt. Ltd., the petitioners to the aforementioned matter does not have any claim towards Mr. Danish Irfan Furniturewala.

## **LITIGATION INVOLVING OUR GROUP COMPANIES**

### **A. LITIGATION AGAINST OUR GROUP COMPANIES**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation involving Tax Liabilities**

##### ***(i) Direct Tax Liabilities***

NIL

##### ***(ii) Indirect Taxes Liabilities***

NIL

#### **4. Other Pending Litigations**

NIL

### **B. LITIGATION FILED BY OUR GROUP COMPANIES**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation involving Tax Liabilities**

##### ***(i) Direct Tax Liabilities***

NIL

##### ***(ii) Indirect Taxes Liabilities***

NIL

#### **4. Other Pending Litigations**

NIL





## AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As of March 31, 2020, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

Particulars	Number of creditors	Amount Involved (in ₹ lakhs)
Micro, Small and Medium Enterprises	-	-
Material Creditors	9	132.76
Other Creditors	-	-
<b>Total</b>	<b>9</b>	<b>132.76</b>

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on March 31, 2020 are also available on [www.netpixshorts.com](http://www.netpixshorts.com).

*It is clarified that information provided on the website of our Company is not a part of this Draft 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, would be doing so at its own risk.*

### Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date i.e. March 31, 2020.



## GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on August 26, 2020 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on August 27, 2020 authorized the Issue.
3. In-principle approval dated [●] from the BSE Start up for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The ISIN of our Company is INE0D5F01013

### II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

1. Certificate of Incorporation dated June 20, 2019 issued by the Registrar of Companies, Mumbai (“RoC”) in the name of “Net Pix Shorts Digital Media Limited”.
2. The Corporate Identity Number (CIN) of the Company is U22300MH2019PLC327005.

### III. GENERAL APPROVALS

1. Membership as an Associate: Danish Zakaria Aghadi bearing no. 15474 issued by the Indian Motion Picture Producers’ Association valid up to March 31, 2021.
2. Membership as an Associate: Nazish Imran Furniturewala (Additional card) bearing no. 15474 issued by the Indian Motion Picture Producers’ Association valid up to March 31, 2021.
3. Our Company has obtained certain certificates from Indian Motion Picture Producers’ Association and the ScreenWriters Association in order to register the movie titles/names and its scripts respectively.

### IV. TAX RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAGCN5778H	Income Tax Department, Government of India	June 20, 2019	Valid until cancelled
2.	Tax Deduction Account	MUMN27298F	Income Tax	June 20, 2019	Valid until




	Number (TAN)		Department, Government of India		cancelled
3.	Certificate of Registration issued under Maharashtra Tax on Professions, Trade Callings and Employment Act, 1975 for Company's registered office situated 1402, Z A Towers Zohra Aghadi Yari Road, Versova Andheri West, Mumbai – 400 061	27361792310P	Government of Maharashtra	June 04, 2019	Valid until cancelled
4.	Certificate of Enrolment issued under Maharashtra Tax on Professions, Trade Callings and Employment Act, 1975 for Company's registered office situated 1402, Z A Towers Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061	99833923263P	Government of Maharashtra	April 01, 2020	Valid until cancelled

#### V. BUSINESS RELATED APPROVALS

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration Certificate under the Maharashtra shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017 Situated at, 1402, Z A Towers Zohra Aghadi Yari Road, Versova Andheri West, Mumbai – 400 061	820062914 / KW Ward COMMERCIAL /	Municipal Corporation of Greater Mumbai	August 9, 2019	August 8, 2022
2.	Certificate for theatrical release for film Old Kid - Category: U	DIS / 1 / 64672019 – MUM	Central Board of Film Certification	December 23, 2019	Valid till cancelled

#### VI. INTELLECTUAL PROPERTY RELATED APPROVALS

##### A. Trademark Related Approvals

Sr. No.	Particulars of the Mark	Applicant	Trade mark/ Application Number	Issuing Authority	Class	Status
1.		Net Pix Shorts	2251405	Registrar of Trade marks	41	Registered



---

## VII. PENDING APPROVALS

1. The Company has made a trade mark application bearing No. 4579424 dated July 22, 2020 before the Registrar of Trade Mark which is currently pending;
2. The Company is in the process of making an application to obtain the registration certificate under the Maharashtra shop and Establishments (Regulations Employment and conditions of Service) Act,2017 for its properties located at Unit No. 3 & 4, Ground Floor, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061 and Lower Basement, ZA Towers, Zohra Aghadi, Yari Road, Versova, Andheri West, Mumbai – 400 061.



## SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated August 26, 2020 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on August 27, 2020, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the BSE Start-up Segment under SME Platform of the BSE Limited. BSE is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoter, Group Company and entities forming part of our Promoter Group from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Prohibition by RBI

Neither our Company nor any of our Promoter or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and our Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

### Association with Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Prospectus

### Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE Start-up Segment under SME Platform of BSE Limited).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE Start-up Segment under SME platform of the BSE Limited.

- a. Our Company was incorporated on June 20, 2019, with the Registrar of Companies, Mumbai under the Companies Act, 2013 in India. Further, Our Company has acquired the running business of M/s. First Step Entertainment Capital (Proprietorship Firm of our Promoter, Mr. Danish Zakaria Aghadi) with effect from June 20, 2019. M/s. First Step Entertainment Capital was in business for more than 2 years
- b. As on the date of this Draft Prospectus, our Company has a total paid up capital of ₹ 230.01 lakhs comprising 23,00,060 equity shares which is more than ₹ 1.00 crores and the Post Issue Capital will be of ₹ 320.01 lakhs comprising 32,00,060 equity shares which is below ₹ 25 crores.



- c. As per the Restated Financial disclosed in this Draft Prospectus, the Networth (excluding revaluation reserves) of the Company is ₹ 158.06 lakhs as on March 31, 2020 and hence the Networth is positive.

**Other Disclosures:**

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- c. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
- d. 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 BSE Start-up segment under SME Platform of BSE Limited.
- e. Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- f. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- g. We have a website: [www.netpixshorts.com](http://www.netpixshorts.com).

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE Start-up segment under SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated August 28, 2019 with NSDL and agreement dated August 19, 2020 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoter are in dematerialised form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 56 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors is debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors is promoter or director of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoter or Directors is a wilful defaulter.
- (d) None of our Promoter or Directors is a fugitive economic offender.



We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.**

#### **Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

#### **Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.





## **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, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **Disclaimer Clause of the BSE**

“As required, a copy of the Draft Prospectus shall be submitted to the BSE Start-up Segment under SME Platform of BSE Limited. The Disclaimer Clause as intimated by the BSE Start-up Segment under SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

## **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **Listing**

Application have been made to BSE Start-up Segment under SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its BSE Start-up Segment under SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the BSE Start-up Segment under SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE Start-up Segment under SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.



The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on BSE Start-up Segment under SME Platform of BSE Limited.

### Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Nirmittee Robotics India Limited	3.24	185.00	21/04/2020	189.00	19.46%	0.97%	35.14%	22.14%	N.A.	N.A.
2	Valencia Nutrition Ltd.	7.23	46.00	06/01/2020	46.45	0.00%	1.15%	0.00%	-32.17%	-2.17%	-11.44%
3	Vishwaraj Sugar Industries Ltd	60.00	60.00	15/10/2019	61.20	10.38%	5.58%	50.33%	8.71%	9.75%	-19.08%
4	Galactico Corporate Services Ltd	3.70	23.00	09/10/2019	23.20	0.00%	6.48%	6.96%	7.05%	-0.87%	-27.73%
5	Shiv Aum Steels Ltd	15.48	44.00	01/10/2019	44.25	0.57%	4.56%	2.27%	7.89%	2.27%	-23.76%
6	Transpact Enterprises Ltd	1.35	130.00	05/09/2019	132.50	4.62%	2.81%	1.54%	11.48%	3.85%	5.40%
7	Meera Industries Ltd <sup>(1)</sup>	11.75	225.00	26/06/2019	215.00	-6.04%	-4.32%	-17.78%	-1.25%	-45.56%	5.18%
8	Roopshri Resorts Ltd	3.60	20.00	01/04/2019	20.25	1.25%	0.41%	1.25%	1.34%	12.00%	-0.13%
9	Gleam Fabmat Ltd	3.12	10.00	05/03/2019	9.00	-36.50%	6.15%	-45.40%	10.50%	-67.50%	2.44%
10	DRS Dilip Roadlines Ltd	31.50	75.00	10/12/2018	75.15	1.33%	3.50%	0.33%	5.21%	0.67%	13.18%

<sup>(1)</sup> Equity Shares of Meera Industries Limited was listed on May 15, 2017 on BSE Limited. Aryaman Financial Services Limited was appointed as lead manager for the Further Public Issue by the Company on BSE Limited pursuant to which its additional shares were listed on June 26, 2019.

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	1 <sup>(1)</sup>	3.24	0	0	1	0	0	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2019-20	7 <sup>(2)</sup>	103.47	0	0	1	0	0	4	0	1	2	0	0	4
2018-19	14 <sup>(3)</sup>	327.66	0	1	1	0	1	9	1	0	2	1	1	9

<sup>(1)</sup> Details indicated in 2020-21 are for the public issues completed as on date.

<sup>(2)</sup> As on the 30th Calendar day from the listing day, the price of Galactico Corporate Services Ltd. and on 30th and 90th Calendar day from the listing day, the price of Valencia Nutrition Ltd., is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

<sup>(3)</sup> As on the 30th and 90th Calendar day from the listing day, the price of Silgo Retail Limited and on 30th Calendar day from the listing day, the price of Saketh Exim Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.



## **Notes:**

- <sup>(1)</sup> Since the listing dates of Nirmitee Robotics India Limited was April 21, 2020, information related to closing price and benchmark index as on the 180<sup>th</sup> Calendar day from the listing date is not available.
- <sup>(2)</sup> The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- <sup>(3)</sup> In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- <sup>(4)</sup> Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices

## **Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in).

## **Consents**

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Company<sup>(1)</sup>, Banker to the Issue<sup>(1)</sup>, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

<sup>(1)</sup> The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. D L Dasharda & Associates, Chartered Accountants, have provided their written consent to the inclusion of their reports dated September 02, 2020 on Restated Financial Statements and to the inclusion of their reports dated September 02, 2020 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. D L Dasharda & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated September 02, 2020, and on the Restated Financial Statements dated September 02, 2020 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

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

## **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated August 28, 2020, the Underwriting Agreement dated August 28, 2020 entered into among the Underwriter, and our Company and the Market Making Agreement dated August 28, 2020 entered into among the Market Maker, Lead Manager and our Company. All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional



information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

## **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

### **Previous Public and Rights Issues**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

We do not have any subsidiary as on date of this Draft Prospectus.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 49 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

## **Performance vis-à-Vis Objects**

### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

### **Listed Subsidiaries / Promoter Company**

We do not have any Subsidiary or Promoter Company as on date of this Draft Prospectus.

## **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## **Disposal of Investor Grievances**

### **Mechanism for Redressal of Investor Grievances**

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the



SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on August 27, 2020 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Ms. Sony Pandey	Non Executive Independent Director	Chairman
Ms. Nazish Furniturewala	Non Executive Non Independent Director	Member
Mr. Danish Zakaria Aghadi	Managing Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 103 of this Draft Prospectus.

Our Company has also appointed Mr. Manish Heda, as the Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company.

**Mr. Manish Heda**

1402, Z A Towers,  
Zohra Aghadi, Yari Road, Versova,  
Andheri West, Mumbai – 400 061  
**Tel No:** +91 8828231678  
**Email:** info@netpixshorts.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

**Disposal of Investor Grievances by Listed Companies under the same Management**

None of our Group Companies / Associates / Subsidiaries is listed on any Stock Exchange as on the date of filing this Draft Prospectus.



## SECTION X – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.*

*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 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 Applicant.*

*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 websites of the concerned stock exchanges 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.*

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 192 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on page nos. 118 and 192 of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 60 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:





- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights 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 of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of Articles of Association*” beginning on page no. 192 of this Draft Prospectus.

#### **Market Lot and Trading Lot**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE start-up segment under SME Platform of 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 Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

#### **Minimum Number of Allottees**

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 the monies collected shall be refunded within eight (8) Working days of closure of Issue.

#### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

#### **Nomination facility to investors**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:





- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchanges.

### ISSUE PROGRAM

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds / unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat account of the Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received, if there is a delay beyond eight (8) days, after our Company become liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE start-up segment under SME Platform of BSE Limited.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 49 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page no. 192 of this Draft Prospectus.



## **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

## **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- 1) Tripartite agreement dated August 28, 2019 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated August 19, 2020 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.
- 3) The Company's shares bear ISIN - INE0D5F01013.

## **Migration to Main Board**

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the BSE start-up segment under SME Platform of BSE Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulation, our Company may migrate to the main board of BSE from the BSE start-up segment under SME Platform of BSE Limited on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **Market Making**

The shares issued through this Issue are proposed to be listed on the BSE start-up segment under SME Platform of BSE Limited 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 BSE start-up segment under SME Platform of BSE Limited. For further details of the market making arrangement please refer the chapter titled "*General Information*" beginning on page no. 40 of this Draft Prospectus.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post Issue face value capital does not exceed ten 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 BSE Start-up segment under SME Platform of BSE Limited). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 165 and 173 respectively, of this Draft Prospectus.

### Issue Structure

Initial Public Issue of up to 9,00,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] lakhs by our Company.

The Issue comprises a reservation of up to 52,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of up to 8,48,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 28.13% and 26.50%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	Up to 8,48,000 Equity Shares	Up to 52,000 Equity Shares
Percentage of Issue Size available for Allocation	94.22% of the Issue Size	5.78% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialised form.	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i>  [●] Equity Shares	Up to 52,000 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed 8,52,000 Equity Shares, subject to applicable limits to the Applicant.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the application value does not exceed ₹ 2,00,000.	Up to 52,000 Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the



Particulars	Net Issue to Public	Market Maker Reservation Portion
		SEBI (ICDR) Regulations, 2018.
Who can Apply <sup>(2)</sup>	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

<sup>(1)</sup> Since present Issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage."*

<sup>(2)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

### Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue / Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600



<b>Issue / Issue Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Issue stage the Registrar to Issue in consultation with Lead Manager, 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 IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4,000 shares.





## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circulars issued by the SEBI, including circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular SEBI/HO/CFD/DIL2/CIR/P/2019/133 dated November 8, 2019 and the circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through 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 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for 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.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/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. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form. Further, the Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no.





SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, 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 is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares**



**in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

## **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour<sup>(1)</sup></b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> *Excluding electronic Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RII bidding using the UPI Mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchange. Stock Exchange shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Application details already uploaded

For RIIs using UPI Mechanism, the Stock Exchange shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange applying platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The LM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being**



offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Who Can Apply?**

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoter, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

#### **APPLICATION by HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-



Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (white in colour).

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), 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 (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

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 FPI AND FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an 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 a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% 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 sectorial 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. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, 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 an 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 eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent except where pre - approval is provided.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- a. Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and





- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*\* The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. 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 UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

***The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.***

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

### **Information for the Applicants**

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days
2. The relevant Designated Intermediary will enter each Application into the electronic bidding system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, a Applicant can receive up to three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of 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 this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted





downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.

5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on August 28, 2020
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no. 40 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload 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 Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar 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.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.



The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 6 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 Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date

#### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
- 2) Ensure that you have apply within the Price Band
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 4) Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
- 6) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants using the UPI Mechanism) to make an application in the Issue. Retail Individual Applicants using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
- 7) If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Applicants, bidding using the UPI Mechanism);
- 8) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 9) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 10) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 11) Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;



- 12) Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
- 13) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 14) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 15) Ensure that the Demographic Details are updated, true and correct in all respects;
- 16) 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;
- 17) Ensure that the correct investor category and the investor status is indicated in the Application Form;
- 18) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 19) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 20) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 21) In case of ASBA Bidders (other than Retail Individual Bidders using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- 22) Once the Sponsor Bank issues the UPI Mandate Request, the Retail Individual Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
- 23) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 24) Ensure that you have correctly signed the authorization / undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 25) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual



Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;

- 26) Retail Individual Applicants applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
- 27) Retail Individual Applicants using the UPI Mechanism who have revised their Applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
- 28) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 29) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not apply by another Application Form after submission of Application to the Designated Intermediary.
- 4) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 7) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 8) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 10) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
- 11) Do not submit the General Index Register number instead of the PAN;
- 12) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 13) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 14) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 15) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;



- 16) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 17) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 18) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 19) Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Applicant. Retail Individual Applicants can revise their Applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
- 20) Do not apply for shares more than specified by respective Stock Exchanges for each category;
- 21) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
- 22) Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
- 23) If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 p.m. on the Issue Closing Date;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **GROUNDS FOR REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Applications submitted by Retail Individual Applicants using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “*Who can Apply?*” on page no. 176 of this Draft Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Applicants with Application Amount for a value of more than ₹200,000



12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Issue – Instructions for filing the Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

#### **Payment instructions**

The entire Issue Price of ₹ [●] per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and





- b) The successful applicants out of the total applicants for that category shall be determined by the draws of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present Issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) The 50% net Issue of shares to the Public (i.e. 4,24,000 Equity Shares) shall be made available for allotment to retail individual investors; and
  - b) The balance net Issue of shares to the public (i.e. 4,24,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “*Basis of Allotment*” on page no. 186 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 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 the BSE Limited.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/ Managing Director/ Authorised Signatory of the BSE Limited – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated August 28, 2019 with NSDL, our Company and Registrar to the Issue;
- Tripartite agreement dated August 19, 2020 with CDSL, our Company and Registrar to the Issue;
- The Company’s shares bear an ISIN: INE0D5F01013.



## DESIGNATED DATE AND ALLOTMENT

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

## Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar 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, unblocking of funds etc.

## Letters of Allotment or Refund Orders or Instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful Applications within 6 Working Days of the Issue Closing Date.

## Mode of Refund

Within 6 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 and also for any excess amount blocked on Application.

## Interest in Case of Delay in Allotment or Refund

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within 6 Days of the Issue Closing Date.

## Impersonation

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**



The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 6 days from the Issue Closing Date or such lesser time as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) 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 SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

### **Utilization of Net Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue of specified securities to public shall be credited/ transferred to separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;



- 
- 2) Details of all monies utilized out of the Issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
  - 3) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested

The Company confirm and declare that all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

Amidst the current pandemic caused by Covid-19, the Government of India has amended the extant FDI Policy, vide Press Note No. 3 (2020 Series). The said amendment has also been made in the Foreign Exchange Management (Non-debt Instrument) Rules, 2019. As per the aforesaid amendment a non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further, in the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within this restriction/purview, such subsequent change in beneficial ownership will also require Government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and (iv) documentation, reporting requirements and other conditions as may be specified by the RBI in consultation with the Central Government, are adhered for such transfers

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For details, see “*Issue Procedure*” on page no. 173 of this Draft Prospectus.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**



## SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

### I. Public Company

The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### II. 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 company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) 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 recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

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 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.

(iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed 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 authorise some person to transfer the shares sold to the purchaser thereof

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.



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) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.

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 shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

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 but shall not confer a right to dividend or to participate in profits.

#### **Transfer of shares**

19. (i) The Company shall use a Common form of transfer. 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 recognise any instrument of transfer unless --

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

**22.** 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.

Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

### **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 recognised by the company as having any title to his interest in the shares

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**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.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **Forfeiture of shares**

**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 favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**33.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.



### **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. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

**35.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) increase its authorized share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) 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 authorised and consent required by law, --

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

### **Capitalisation of profits**

**38.** (i) The company in general meeting may, upon the recommendation of the Board, resolve --

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;



(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**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 capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power --

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

**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 notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.



56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105

57. 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 and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

Unless otherwise provided under the Companies Act, 2013, the number of Directors shall not be less than two and more than twelve. The first Directors of the Company are:

1. Mr. Danish Zakaria Aghadi
2. Ms. Nazish Furniturewala
3. Ms. Swati Semwal

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.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

74. Subject to the provisions of the Act, --

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.



## Managing Director

76. (i) The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.

(ii) Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

## The Seal

77. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## Dividends and Reserve

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

79. 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.

80. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve

81. (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.

82. 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.

83. (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.

**84.** 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.

**85.** 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.

**86.** No dividend shall bear interest against the company.

No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

#### **Accounts**

**87.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **Winding up**

**88.** 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**

**89.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

(i) Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.

(ii) If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring any special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter



## Others

### 90. Dematerialisation of Securities

(i) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) "Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) "Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) "Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) "Transfer of securities": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) "Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) "Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.





---

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

### **Nomination**

**91.** Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.



## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Draft Prospectus until the Issue Closing Date.

#### A. Material Contracts

- 1) Memorandum of Understanding dated August 28, 2020 between our Company and the Lead Manager.
- 2) Memorandum of Understanding dated August 28, 2020 between our Company and the Registrar to the Issue.
- 3) Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s) / Sponsor Bank and the Registrar to the Issue.
- 4) Market Making Agreement dated August 28, 2020 between our Company, the Lead Manager and Market Maker.
- 5) Underwriting Agreement dated August 28, 2020 between our Company, the Lead Managers and the Market Maker.
- 6) Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated August 19, 2020.
- 7) Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated August 28, 2019.

#### B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certificate of Incorporation dated June 20, 2019 pursuant to the incorporation of our Company into a Public Limited Company.
- 3) Resolution of the Board of Directors dated August 26, 2020 in relation to the Issue.
- 4) Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on August 27, 2020 in relation to the Issue.
- 5) Statutory Auditor's report for Restated Financials dated September 02, 2020 included in this Draft Prospectus.
- 6) The Statement of Tax Benefits dated September 02, 2020 from our Statutory Auditors included in this Draft Prospectus.
- 7) Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company<sup>(1)</sup>, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue<sup>(1)</sup>, Underwriters and Market Maker to act in their respective capacities.  
*<sup>(1)</sup> The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*
- 8) Due Diligence Certificate(s) dated [●] to SEBI by the Lead Manager.
- 9) Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the BSE Start-up Segment under SME Platform of BSE Limited.



## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

### Signed by the Directors of our Company

Sd/-

\_\_\_\_\_

**Mr. Danish Zakaria Aghadi**  
Managing Director

Sd/-

\_\_\_\_\_

**Ms. Nazish Furniturewala**  
Non Executive Non Independent Director

Sd/-

\_\_\_\_\_

**Ms. Sony Pandey**  
Non Executive Independent Director

Sd/-

\_\_\_\_\_

**Mr. Rahul Dayama**  
Non Executive Independent Director

### Signed by the Chief Financial Officer of our Company

Sd/-

\_\_\_\_\_

**Mr. Irfan Memon**  
*(Chief Financial Officer)*

### Signed by the Company Secretary and Compliance Officer of our Company

Sd/-

\_\_\_\_\_

**Mr. Manish Heda**  
*(Company Secretary and Compliance Officer)*

Date: September 09, 2020

Place: Mumbai