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THINKING HATS ENTERTAINMENT SOLUTIONS LIMITED

Thinking Hats Entertainment Solutions Limited (our “Company” or the “Issuer”) was incorporated on February 11, 2013 as ‘Thinking Hats Entertainment Solutions Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. For administrative convenience, pursuant to an order passed by the Regional Director, Northern Region, New Delhi on November 29, 2019, the registered office of our Company was shifted from Delhi to the state of Maharashtra. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in their meeting held on August 18, 2023, and by the Shareholders at an Extraordinary General Meeting held on August 19, 2023 and consequently the name of our Company was changed to ‘Thinking Hats Entertainment Solutions Limited’ and a fresh certificate of incorporation dated September 7, 2023 was issued by the Registrar of Companies, Maharashtra at Mumbai.

Registered Office: KU220, Kuber Kartik, New Link Road, Prem Co-operative Society, Andheri West, Mumbai - 400 053, Maharashtra, India; **Telephone:** +91 976 915 6256; **E-mail:** info@thes.in; **Facsimile:** N.A.; **Corporate Office (Address where the books of accounts of our Company are maintained):** 5th Floor, B 9 Pinnacle Business, Park Sector 3 Noida, Gautam Buddha Nagar, Noida - 201 301, Uttar Pradesh, India.; **Telephone:** +91 981 033 4264; **Facsimile:** N.A. **Website:** www.thes.in; **Contact Person:** Palak Jain, Company Secretary and Compliance Officer; **Corporate Identity Number:** U92490MH2013PLC352652

PROMOTERS OF OUR COMPANY: RAJESH BHARDWAJ, GAURAV SINGHANIA AND SHRUTI SINGHANIA

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JUNE 10, 2024; NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 34,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HERINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND MARATHI EDITION OF [●] (A MARATHI REGIONAL LANGUAGE NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

Potential Bidders may note the following: “COVER PAGE”, “DEFINITIONS AND ABBREVIATIONS”, “ISSUE DOCUMENT SUMMARY”, “RISK FACTOR”, “CAPITAL STRUCTURE”, “OBJECTS OF THE ISSUE”, “OUR BUSINESS”, “KEY INDUSTRIAL REGULATIONS AND POLICIES” “OUR MANAGEMENT”, “OUR PROMOTERS AND PROMOTER GROUP” AND “GOVERNMENT AND OTHER STATUTORY APPROVALS” have been updated in accordance with the suggestions made by NSE.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Mumbai, Maharashtra

Date: September 3, 2024

On behalf of Thinking Hats Entertainment Solutions Limited

Sd/
Rajesh Bhardwaj
Managing Director

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Horizon Management Private Limited
19 R N Mukherjee Road, Main Building,
2nd Floor, Kolkata- 700 001, West Bengal, India.
Telephone: +91 33 4600 0607
Facsimile: +91 33 4600 0607
Email ID: smeipo@horizon.net.co
Website: www.horizonmanagement.in
Investor Grievance ID: investor.relations@horizon.net.co
Contact Person: Manav Goenka
SEBI Registration Number: INM000012926

REGISTRAR TO THE ISSUE

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi- 110 020,
Delhi, India.
Telephone: +91 112 638 7281/83, 114 132 0335
Facsimile: +91 112 638 7384
E-mail: ipo@masserv.com
Investor grievance: investor@masserv.com
SEBI Registration No.: INR000000049
Contact Person: Sharwan Mangla

BID/ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

GENERAL AND COMPANY RELATED TERMS

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”, or “THES”	Thinking Hats Entertainment Solutions Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at KU220, Kuber Kartik, New Link Road, Prem Co-operative Society, Andheri West, Mumbai - 400 053, Maharashtra, India.
Our Promoters	Promoters of our Company, namely Rajesh Bhardwaj, Gaurav Singhania, and Shruti Singhania. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 150 of this Draft Red Herring Prospectus.
Promoter’s Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoters and Promoter’s Group</i> ”.

SECTION II - ISSUE DOCUMENT SUMMARY

Promoters

The Promoters of our Company is Rajesh Bhardwaj, Gaurav Singhania, and Shruti Singhania. For further details, please refer to the chapter titled “Our Promoters and Promoter Group” beginning on Page No. 150 of this Draft Red Herring Prospectus.

1. Utilization of Net Issue Proceeds

(₹ in lacs)		
Sr. No.	Particulars	Estimated amount
1.	Prepayment or repayment of all or a portion of certain loans availed by our Company	Upto 200.00
2.	Funding of working capital requirements of our Company	Upto 840.00
3.	General corporate purposes ⁽¹⁾	[•]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “Objects of the Issue” beginning on Page No. **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Aggregate Pre Issue Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters:

S. No.	Particulars	No. of Equity Shares	As a % of Pre-Issue Capital	No. of Equity Shares	As a % of Post Issue Capital
Promoters					
1.	Rajesh Bhardwaj	44,98,750	49.67	44,98,750	[•]
2.	Gaurav Singhania	18,28,000	20.18	18,28,000	[•]
3.	Shruti Singhania	1,000	0.01	1,000	[•]
Total – A		63,27,750	69.86	63,27,750	[•]
Promoters Group					
1	Sana Warsi	7,62,500	8.42	7,62,500	[•]
2	Ruchi Agarwal	1,000	0.01	1,000	[•]
Total – B		7,63,500	8.43	7,63,500	[•]
Total – C (A+B)		70,91,250	78.29	70,91,250	[•]

For further details, please refer to the chapter titled “Capital Structure” beginning on Page No. 63 of this Draft Red Herring Prospectus.

Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of this Draft Red Herring Prospectus	Weighted Average Price (in ₹)
Rajesh Bhardwaj	40,48,875	NIL
Gaurav Singhania	16,45,200	NIL
Shruti Singhania	900	NIL

* Shares acquired by way of bonus shares issued out of free reserves.

Average Cost of Acquisition of Equity Shares for Promoters

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Rajesh Bhardwaj	44,98,750	1.68
Gaurav Singhania	18,28,000	1.00

Shruti Singhania	1,000	1.00
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RISK FACTOR

- 10. In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on March 31, 2024 our Company's total borrowings are ₹ 543.46 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “Financial Indebtedness” on page 194 of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Shruti Singhania

Date of Allotment and made fully paid up/ Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
April 2, 2023	Transfer	Cash	100	10	10	100	0.00	[•]	-	-
May 28, 2024	Bonus	Consideration other than cash	900	10	-	1,000	0.01	[•]	-	-
	Total		1,000							

The details of the Shareholding of the Promoters as on the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Particulars	No. of Equity Shares	As a % of Pre-Issue Capital	No. of Equity Shares	As a % of Post Issue Capital
Promoters					
1.	Rajesh Bhardwaj	44,98,750	49.67	44,98,750	[•]
2.	Gaurav Singhania	18,28,000	20.18	18,28,000	[•]
3.	Shruti Singhania	1,000	0.01	1,000	[•]
Total – A		63,27,750	69.86	63,27,750	[•]
Promoters Group					
1.	Sana Warsi	7,62,500	8.42	7,62,500	[•]
2.	Ruchi Agarwal	1,000	0.01	1,000	[•]
Total – B		7,63,500	8.43	7,63,500	[•]
Total – C (A+B)		70,91,250	78.29	70,91,250	[•]

As on date of this Draft Red Herring Prospectus, the members of our Promoter Group do not hold any shareholding in our Company.

Promoter’s Contribution and other Lock-In details:

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoter shall be locked in for a period of three years from the date of Allotment (“Minimum Promoter’s Contribution”), and the Promoter’s shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter’s Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter’s Contribution:

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share(in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up	Period of lock-in
Rajesh Bhardwaj							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
TOTAL	[•]					[•]	
Gaurav Singhania							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

TOTAL	[•]					[•]	
<i>Shruti Singhania</i>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
TOTAL	[•]					[•]	

* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see “Details of the Build-up of our Promoter’s shareholding” on page 68.

OBJECTS OF THE ISSUE

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in Lakhs)

Sr. No.	Particulars	Estimated amount
1.	Prepayment or repayment of all or a portion of certain loans availed by our Company	Upto 200.00
2.	Funding of working capital requirements of our Company	Upto 840.00
3.	General corporate purposes ⁽¹⁾	[•]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Schedule of implementation

We propose to deploy the Net Proceeds towards the aforesaid Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(₹ in Lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount to be funded from internal accruals	Estimated Utilisation of Net Proceeds	
					Fiscal 2025	Fiscal 2026
1.	Prepayment or repayment of certain loans availed by our Company	200	200	Nil	200	-
2.	Funding of working capital requirements of our Company ^	900	900	Nil	700	140
3.	General corporate purposes *	[•]	[•]	Nil	[•]	[•]

*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

^Our Company shall also fund the incremental working capital requirements by availing loan facilities.

Details of Objects of the Issue

1. Funding the working capital requirements of our Company

Basis of estimation of working capital requirement

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at March 31, 2026
		(Actual-Restated)	(Actual-Restated)	(Actual-Restated)	(Estimated)	(Projected)
(A)	Current assets					
(a)	Inventories	-	-	-	-	-
(b)	Trade receivables	311.35	605.56	988.50	1,643.84	2,465.75
(c)	Other Current Assets	48.12	35.46	173.87	345.60	558.41
	Total current assets (A)	359.47	641.02	1,162.38	1,989.44	3,024.16
(B)	Current liabilities					
(a)	Trade payables	188.87	351.64	411.18	499.32	758.22
(b)	Provisions, other current liabilities and current tax liabilities (net)	47.10	115.08	337.67	492.87	746.05
	Total current liabilities (B)	235.97	466.72	748.85	992.18	1,504.27
(C)	Total working capital requirements (C = A – B)	123.50	174.29	413.53	997.26	1,519.89

S. No.	Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at March 31, 2026
		(Actual-Restated)	(Actual-Restated)	(Actual-Restated)	(Estimated)	(Projected)
(D)	Funding pattern					
(a)	IPO proceeds	-	-	-	700.00	140.00
(b)	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting) and/or internal accruals	123.50	174.29	413.53	297.26	1,379.89
	Total	123.50	174.29	413.53	997.26	1,519.89

Note: Pursuant to the certificate dated June 10, 2024 issued by the Statutory Auditor.

Our Company shall also fund the incremental working capital requirements by availing loan facilities.

2. Prepayment or repayment of all or a portion of certain loans availed by our Company

S. No.	Name of Lender	Nature of Borrowings	Interest rate (%) P.A	Repayment Terms	Date of disbursement	Prepayment penalties, if any	Amount Outstanding as on 31-05-2024	Purpose for which the loan was sanctioned *
1	HDFC Bank Limited	Cash Credit	Upto 2.40CR 9.5% Next 2.00Cr @10%	On Demand	30.11.2023	As applicable	417.19	Working Capital
2	Tata Capital Financial Services Limited	Over draft facility	16.50%	36 Months	07.02.2024	As applicable	50.10	General business purpose
3	Aditya Birla Fincorp Ltd	Term Loan	16.50%	36 Months	21.11.2022	As applicable	20.60	General business purpose
4	Bajaj Finance Ltd.	Business Loan	17.75%	60 Months	19.10.2022	As applicable	26.13	General business purpose
5	Fullertron India Credit Co.	Business Loan	16.50%	25 Months	31.10.2022	As applicable	8.51	General business purpose
						Total	522.53	

2. Funding the working capital requirements of our Company

Reason for substantial increase of working capital requirement are mentioned below:-

We are well known through our brand named —Thinking Hats — in the experiential marketing industry. The brands and our Company’s experience has helped our company earn the trust and goodwill of our customer which further has an influence on the prospective client’s decision. Our well established and recognizable brand and the reputation built by us since the last more than 10 years has and will enable us to increase our clientele list in the future.

Justification for increase/ decrease in working capital requirement for the FY2024 as compared to FY2023:

Our Company is a working capital intensive company and in order to execute our projects of Events Management, Retail Visual Merchandising and digital content creation, we require significant working capital. The growth of our operations is driven from the flow of working capital to complete the projects. In the fiscal year ended March 31, 2024, our Company has rolled out more than 2,700 jobs as against close to 2,100 jobs in fiscal 2023, this has resulted in increased revenue and profitability. Further, we have started two new OTT projects in September 2022 jointly with JAR Pictures LLP which are under post-production phase presently titled ‘Tatkal’ and ‘Therapy Sheryap’. Further, another untitled project which is a mythological animation feature film is in pre-production stage was started in January 2024. Accordingly, with the increased no. of jobs executed and OTT projects in FY2024, the total working capital requirement

has increased to Rs. 413.53 Lakhs as against Rs. 174.29 Lakhs in FY2023.

Justification for increase/ decrease in working capital requirement for the FY2025 and FY2026:

Our Company is a working capital intensive company and in order to execute our projects of Events Management, Retail Visual Merchandising and digital content creation, we require significant working capital. The growth of our operations is driven from the flow of working capital to complete the projects.

In this regard, we hereby clarify and confirm that the net working capital requirement for FY 2025 and FY 2026 is estimated to increase to ₹ 997.26 Lakhs during FY2025 and ₹ 1,519.89 Lakhs during FY2026. The reasons for increase in future working capital requirements of our company are as under:

1. ***Reduction in the payment cycle of Suppliers:*** Over the past few years, our focus has been to decrease the payment cycle of vendors. This leads to a decrease in trade payables leading to a higher working capital requirement. The Company maintained holding level of trade payable at 78 days, 67 days and 69 days in FY2022, FY2023 and FY2024, respectively. The payment cycle is further expected to reduce to 45 days in FY2025 and FY2026, which will lead to an expansion of the working capital needed. Primarily, quicker settlements enable us to leverage cash discounts from suppliers, enhancing our profitability. Additionally, prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations and bolstering our bottom line. Due to increase purchases and a shorter payables cycle, the Company's working capital requirement will increase significantly in FY2025 and FY2026. This will enable the Company not only improving financial stability but also fortifying relationships with suppliers and securing advantageous deals for our company's growth.
2. ***Collaboration for technology enabled solutions:*** Our goal is to become a technology-based entertainment company, leveraging the latest tools and innovations to create more engaging content for our audiences. To achieve this, we are actively scouting for new technology solution vendors and exploring different platforms that have the potential to transform the event and entertainment industry. We recognize that Artificial Intelligence (AI), Augmented Reality (AR), Visual Reality (VR), photos, content licencing including music & videos, animation and others are key growth areas, and we are committed to expanding our business in these areas. This required the Company to have higher working capital liquidity.

Basis client needs, we will be proposing multiple solutions to our clients which are tech enabled ranging from an app development to a AR/VR solution for events and retail business. This would be on assignment to assignment basis. Post approval on concept from clients, we will need to start working on the approved tech solution for our clients which will need advance payments for development and testing. These will be executed by availing the service of tech solution providers.

3. ***Creation of new content:*** We intend to focus on creating a large and diverse content library that includes web series, music content, and other types of content. Our focus is to scale up the content volume with new age media such as YouTube, music steaming app and similar. The key elements of our business strategy is to adopt a de-risking expansion strategy to expand in multiple segments of the business and scale up the business significantly. This can provide a steady stream of revenue and help us gain more recognition in the industry. To achieve this, we need to have higher working capital.

We have entered into an agreement with Jimmer Motion Pictures Limited, for production of OTT content. An untitled Mythological animation feature film in under pre-production stage at London in collaboration with Jimmer Motion Pictures Limited. Our Company has signed a contract with them to acquire all the rights, title, interest and ownership in the film throughout the Universe.

Going forward, we plan to develop various content which can be pitched to platforms or explore partners to develop the final production. These contents will need multiple spends with respect to multiple advance payments to writers, line producers, composers, actors, booking costs, shoot costs etc.

In addition to this, we will also be producing music for our music company Jelly Music. These music productions will require advance payments to writers, composers, singers, shoot expenses, production expenses etc.

4. ***Creation of own IPs:*** The Company is focused on creating our own event intellectual property (IP) which can give us an opportunity to scale up the business significantly by selling format rights globally. The Company have already obtained registration for word mark "SOULLESS" under class 41 for our IP relating to music concert on which it is working. The creation of more IP and undertaking concerts require higher working capital.

We plan to develop our own IPs and make them one of the key highlights of our company. Recently we got an approval from Varanasi Administration for organising one of its kind festivals in the spiritual theme. These IPs will need advance payments

to festival directors, venue booking, speaker booking, venue production etc. which will require significant working capital.

5. **Live events / shows:** Beside these, we will also be organising live events/shows in different cities. We are having ongoing discussions with artist for onboarding them at an advance level, namely, Piyush Mishra. Post agreement, advances will need to be paid to the artist and other expenses with respect to venue booking, event organisation and management, marketing which will need to be incurred pre-event.

6. **Scaling of existing Business:** In order to expand the existing business additional working capital is required as we will be expanding our team in business development and customer servicing, production and operations and design and concept development. Additionally, our credit terms with the customers is generally on a higher side as we work with known and reliable brands who insist on higher credit periods which leads to more working capital requirements.

Post finalization of projects by our clients, we have to release advances to multiple parties like venue, artist, vendors/suppliers etc. while we work mostly on 100% credit with our clients. We get our payment mostly upon completion of job. With more focus on onboarding more clients and expansion of existing clients like Zudio, Tata Group (~100 new stores jobs per annum), we require more working capital to execute our job more efficiently and expand our business.

The above strategies will lead to growth in the revenue of the Company, which consequently require higher working capital to support the growth.

OUR BUSINESS

We are led by a group of individuals, having a strong background and extensive experience in the event management and entertainment industry. Our Promoters, Rajesh Bhardwaj, Managing Director, Gaurav Singhania, Wholetime Director and CFO, and Shruti Singhania, Non- Executive Non-Independent have been leading our Company's strategy and operations. Under their guidance, our Company has been able to achieve a dynamic service and customer portfolio adding clients under various genres from Media, Retail, Financial, Food, Education and Technology industries. They are responsible for expanding business horizons, corporate strategy, leadership and management, financial performance across verticals, stakeholder relations, innovation and growth, identifying new opportunities and risk management.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The Designs Act, 2000 (“Designs Act”)

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

OUR MANAGEMENT

Brief Biographies of our Directors

Shruti Singhania, aged 39 years, is one of the Promoter and Non-Executive and Non-Independent Director of our Company. She attended Shri Ram College of Commerce, University of Delhi to pursue bachelor's degree in arts (economic). She also attended the University of Delhi to pursue post-graduate programme in Economics. She is presently working as Deputy General Manager with Polyplex Corporation Limited. In the past, she was associated with Trident Group. She is having more than 17 years of experience in finance, treasury, risk management and investment. She is associated with our Company since May 28, 2024.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Rajesh Bhardwaj, Gaurav Singhania and Shruti Singhania.

The details of the shareholding of our Promoters, as on date of this Draft Red Herring Prospectus has been provided below:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Rajesh Bhardwaj	44,98,750	49.67
2.	Gaurav Singhania	18,28,000	20.18
3.	Shruti Singhania	1,000	0.01
Total		63,27,750	69.86

For details, please see “*Capital Structure – Build-up of Promoters’ shareholding, Minimum Promoters’ Contribution and lock-in – Build-up of the Equity Shareholding of our Promoters in our Company*” on page 68.

Details of our Promoters are as follows:

Details of our Promoters

1. *Rajesh Bhardwaj*



Rajesh Bhardwaj, aged 48 years, is the Managing Director of our Company. He resides 84, Godiya Mohalla, Shikar Pur, Daulatpur, South West Delhi, Delhi - 110 043, Delhi, India.

The Permanent Account Number of Rajesh Bhardwaj is AMVPB9415D.

For complete profile of Rajesh Bhardwaj, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 138.

2. *Gaurav Singhania*



Gaurav Singhania, aged 41 years, is the Whole-time Director and Chief Financial Officer of our Company. He resides at 14094 ATS One Hamlet, Near IGL pump, Sector - 104, Noida - 201 304, Uttar Pradesh, India.

The Permanent Account Number of Gaurav Singhania is BEYPS3583P.

For complete profile of Gaurav Singhania, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 138.

3. *Shruti Singhania*



Shruti Singhania, aged 39 years, is the Non-Executive Non-Independent Director of our Company. She resides at 14094 ATS One Hamlet, Near IGL pump, Sector - 104, Noida - 201 304, Uttar Pradesh, India.

The Permanent Account Number of Shruti Singhania is ALVPB4607L.

For complete profile of Shruti Singhania, along with details of her date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 138.

Other ventures of our Promoters

The ventures in which our Promoters is involved in are as follows:

Rajesh Bhardwaj

S. No.	Name of the entity	Nature of Interest
1.	Frameless Expressions Private Limited	Shareholder

Gaurav Singhania

S. No.	Name of the entity	Nature of Interest
1.	Jelly Music Private Limited	Director
2.	Varaa Exptech Private Limited	Director & Shareholder
3.	Skillarathi Ventures Private Limited	Director & Shareholder

Shruti Singhania

S. No.	Name of the entity	Nature of Interest
1.	Varaa Exptech Private Limited	Director & Shareholder
2.	Skillarathi Ventures Private Limited	Director & Shareholder

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, aadhaar card numbers and driving license numbers of our Promoters, shall be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Experience of our Promoters in the business of our Company

Our Promoters holds experience in the business of our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on Page No. 138 of this Draft Red Herring Prospectus.

Interest of our Promoters

Interest in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Restated Financial Information*” beginning on Page Nos. 63, 138 and 157, respectively of this Draft Red Herring Prospectus.

Interest of Promoters in our Company other than as a Promoter

Our Promoters, Rajesh Bhardwaj is the Managing Director, Gaurav Singhania is the Whole-time Director and Chief Financial Officer and Shruti Singhania is the Non-Executive Director of our Company, therefore, may deemed to be considered interested to the extent of any remuneration or sitting fee which shall be payable to them in such capacity. Except as stated in this section and the section titled “*Our Management*”, “*Financial Indebtedness*” and “*Restated Financial Information*” beginning on Page No. 138, 194 and 157, respectively, our Promoters do not have any interest in our Company other than as Promoters.

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

Interest in the properties of our Company

Our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus with NSE or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

We confirm that there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Promoters and Promoter Group.

Other Interest and Disclosures

Except as disclosed in “*Financial Statements*” and “*Financial Indebtedness*” on page 157 and 194, respectively in this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Promoters have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 194 of this Draft Red Herring Prospectus.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

We confirm that there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and Group Company and its directors.

Payment or benefits to our Promoters and Promoters’ Group during the last two years

Sana Warsi is associated with our Company in the capacity of President - Movie Production and OTT and therefore is interested to the extent of remuneration and reimbursement of expenses paid to her in the said capacity.

Except as stated in this chapter and in the chapter titled “*Restated Financial Information - Related Party Transactions*”, there has been no payment of any amount of benefits to our Promoters or the members of our Promoters’ Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoters’ Group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” beginning on Page No. 157 of this Draft Red Herring Prospectus.

Litigations involving our Promoter

As on date of this Draft Red Herring Prospectus, there are no litigation involving our Promoters.

Guarantees

Except as disclosed in the chapter titled “*Financial Indebtedness*”, our Promoters have not extended any guarantees against the Equity Shares held by them to third parties in respect of our Company and the Equity Shares that are outstanding as on the date of filing of this Draft Red Herring Prospectus.

Details of Companies / Firms from which our Promoter has disassociated in the last three years

Our Promoter has not disassociated themselves from any company/firm during three years preceding the date of this Draft Red Herring Prospectus.

OUR PROMOTERS’ GROUP

In addition to our Promoter, the following individuals and entities form part of our Promoters’ Group in terms of Regulation 2(1)

(pp) of the SEBI (ICDR) Regulations:

Individuals forming part of the Promoters' Group:

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
Rajesh Bhardwaj		
1.	Sana Warsi	Spouse
2.	Ishwar Singh	Father
3.	Brijesh	Mother
4.	Prashant Tyagi	Brother
5.	-	Sister
6.	-	Son
7.	-	Daughter
8.	Late MD Shafi	Spouse's father
9.	Fahmida Shafi	Spouse's mother
10.	-	Spouse's Brother
11.	Atiya Warsi	Spouse's sister
Gaurav Singhania		
1.	Shruti Singhania	Spouse
2.	Late Ashok Kumar Singhania	Father
3.	Pushpa Devi Singhania	Mother
4.	-	Brother
5.	Ruchi Agarwal	Sister
6.	Aarav Singhania	Son
7.	-	Daughter
8.	Satish Kumar Bhayana	Spouse's Father
9.	Suman Bhayana	Spouse's Mother
10.	Ashish Bhayana	Spouse's Brother
11.	Jyoti Sakhuja	Spouse's Sister
Shruti Singhania		
1.	Gaurav Singhania	Spouse
2.	Satish Kumar Bhayana	Father
3.	Suman Bhayana	Mother
4.	Ashish Bhayana	Brother
5.	Jyoti Sakhuja	Sister
6.	Aarav Singhania	Son
7.	-	Daughter
8.	Late Ashok Kumar Singhania	Spouse's Father
9.	Pushpa Devi Singhania	Spouse's Mother
10.	-	Spouse's Brother
11.	Ruchi Agarwal	Spouse's Sister

Entities forming part of the Promoters' Group:

Except as stated below, no other company, firm or HUF are forming part of the promoters' group:

Sr. No.	Name of the entities
a)	Skillarthi Ventures Private Limited
b)	Varaa Exptech Private Limited
c)	Frameless Expressions Private Limited
d)	M/s. Ashish Trading Company

Other Confirmations

Neither our Promoters nor members of the Promoters' Group have been declared as wilful defaulters by the RBI or any other governmental authority nor there are any violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither Promoters nor entities forming part of our Promoters' Group have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoters' Group are not and have never been promoter, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus against our Promoter.

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER STATUTORY APPROVALS

IV. Tax Related Approvals


- e) Registration certificate dated April 1, 2024, bearing registration number: 27801233833P and enrolment certificate dated March 11, 2024, bearing enrolment number: 99974787941P issued under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975.

V. *Business Related Approvals*

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
2.	Certificate of registration issued under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.	Principal Officer, Shops and Establishments	820344616/KW Ward/COMMERCIAL II	June 8, 2024	Valid until cancelled
3.	Certificate of registration issued under Uttar Pradesh Shops and Establishment Act, 1948	Principal Officer, Shops and Establishment, Labour Department, Uttar Pradesh	UPSA10733828	June 11, 2024	June 10, 2029
4.	Trade License under the Municipal Corporation Act 1888 (Amendment of 1962), Mumbai	Brihanmumbai Municipal Corporation	871790667	June 26, 2024	June 25, 2023

VI. *Intellectual Property Related Approvals*

As on date of this Draft Red Herring Prospectus, our Company has made the following applications for registering under the Trade Marks Act, 1999:

Particulars of Trademark	Application No.	Date of application	Class	Status
Word mark: SOULLESS	6338650	March 9, 2024	41	Accepted & advertised
	6471041	June 8, 2024	41	Formalities Check Pass

VIII. *Licenses / approvals which have expired and for which renewal applications have not been made by our Company:*

Nil
