



Scan this QR code to view the Ad



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. For details of change in Registered Office of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 137 of the Red Herring Prospectus.

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

OUR PROMOTERS: RAJESH BHARDWAJ, GAURAV SINGHANIA AND SHRUTI SINGHANIA

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE Limited (NSE EMERGE).

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 34,29,000 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 1,80,000 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 32,49,000 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 27.46% AND 26.02% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- QIB PORTION: NOT MORE THAN 9.97% OF THE NET ISSUE
- RETAIL PORTION: NOT LESS THAN 63.07% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 26.96% OF THE NET ISSUE
- MARKET MAKER PORTION: UPTO 1,80,000 EQUITY SHARES OR 5.25% OF THE ISSUE

PRICE BAND: ₹ 42.00 TO ₹ 44.00 PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH.

THE FLOOR PRICE IS 4.2 TIMES OF THE FACE VALUE AND

THE CAP PRICE IS 4.4 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 3,000 EQUITY SHARES AND

IN MULTIPLES OF 3,000 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS:

- We significantly rely on event management division for a significant amount of revenue, and any interruption or reduction in the customers in the said division may adversely affect our business and results of operations.
- We are exposed to claims from inadequate performance and defects that may affect the events managed by us and which may have an adverse effect on our business, financial conditions and results of operations.
- Our business is subject to occasional/ seasonal fluctuations that may affect our cash flows and business operations.
- We depend on our long term customers for a significant portion of our revenue, and any decrease in revenues or sales from any one of such key customers may adversely affect our business and results of operations.
- We typically do not have firm commitment with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.
- The Merchant Banker associated with the Issue has handled only 7 (seven) public issue in the past three years.

• Average cost of acquisition of Equity Shares for the Promoters are as under:

NAME	WACA in ₹ per equity share
Rajesh Bhardwaj	1.68
Gaurav Singhania	1.00
Shruti Singhania	1.00

• The Issue Price at the upper end of the Price Band is ₹44.00 per Equity Share.

• The Weighted average cost of acquisition compared to floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 42)	Cap price (i.e. ₹44)
WACA of Primary Issuance (except for bonus issue) (exceeding 5% of the pre issue capital)	191.89	0.22 times	0.23 times
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA*	NA*	NA*

*As there were no secondary sale / acquisition in last 18 months exceeding 5% of pre issue capital from the date of the Red Herring Prospectus.

• The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in ₹)	Upper end of the Price Band (₹ 44.00) is 'X' times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year / Last 18 months	NA	NA	NA
Last 3 years	10.00	4.4	10.00 – 10.00

PROPOSED LISTING:

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated September 5, 2024 from NSE for using its name in the Offer Documents for listing our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 220 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE EMERGE (THE DESIGNATED STOCK EXCHANGE): "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the 'Disclaimer Clause of NSE'."

CREDIT RATING: This being the Issue of Equity Shares, no credit rating is required.

DEBENTURE TRUSTEES: As this is an Issue of Equity Shares, the appointment of Debenture trustees is not required.

IPO GRADING: Since this Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading Agency.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of Company at www.thes.in or at website of the BRLM at www.horizonmanagement.in or NSE EMERGE at www.nseindia.com and is expected to be available on the website of SEBI at www.sebi.gov.in.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Corporate Office: 5th Floor, B 9 Pinnacle Business, Park Sector 3 Noida, Gautam Buddha Nagar, Noida - 201 301, Uttar Pradesh, India; Tel: +91 981 033 4264; Email: info@thes.in ; Facsimile: N.A.; Horizon Management Private Limited, Telephone: +91 33 4600 0607; Email ID: smeipo@horizon.net.co, and at the selected locations of Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Floor Price is 4.2 times the face value at the lower end of the Price Band and 4.4 times the face value at the higher end of the Price Band. Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Restated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on page 27, 108, 161 and 200, respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Qualitative Factors

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

- Diversified service portfolio with more than 10 years of track record
- Geographical presence
- Strong in-house concept creation and designing expertise
- Marquee Clientele
- Meeting expectation of clients and maintaining long term relationship with clients
- Well experienced management team with proven project management and implementation skills

For further details, see "Our Business –Strengths" on page 124 of the Red Herring Prospectus.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Statements. For details, see "Restated Financial Statements" on page 161. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

I. Basic and Diluted Earnings per Share (EPS)

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	3.57	3.57	3
March 31, 2023	2.32	2.32	2
March 31, 2022	0.43	0.43	1
Weighted Average	2.63	2.63	-

Notes:

- (1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- (2) Basic Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of equity shares outstanding during the period/year, read with note 1 above
- (3) Diluted Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of diluted equity shares outstanding during the period/year, read with note 1 above
- (4) Earnings per Share calculations are in accordance with the notified Accounting Standard 20 'Earnings per share'. The face value of equity shares of the Company is ₹ 10/-.
- (5) The figures disclosed above are based on the Restated Financial Statements.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 42.00 to ₹ 44.00 per Equity Share:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
Based on Basic and Diluted of ₹ 48.77 as at March 31, 2023	2.23	2.34
Based on Weighted Average EPS of ₹ 61.91	1.76	1.84

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	17.80
Lowest	14.20
Average	16.00

(Continued from previous page...)

3.	MVK Agro Food Product Ltd	65.88	120	March 7, 2024	79.00	-56%	0%	-66%	3%	79	-56%
4.	Shree Karni Fabcom Limited	42.49	227	March 14, 2024	260.00	101%	2%	207%	5%	260	101%
5.	Shree Karni Fabcom Limited	8.48	114	May 21, 2024	275.00	-46.91%	8.45%	NA	NA	NA	NA
6.	Tunwal E-Motors Limited	124.12	59	July 23, 2024	64.00	-22.50%	3.27%	NA	NA	NA	NA
7.	Forcas Studio Limited	37.44	80	August 26, 2024	152.00	NA	NA	NA	NA	NA	NA

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th 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%
2023-24	4	198.46	Nil	Nil	2	Nil	1	Nil	Nil	Nil	Nil	1	Nil	Nil
2024-25	3*	170.04	Nil	Nil	2	Nil	Nil	Nil	-	-	-	-	-	-

Break -up of past issues handled by Horizon Management Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2023-24	4	Nil
2024-25	3	Nil

Notes:

1. In the event any day falls on a holiday, the price/index of the immediately 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.

2. Source: www.bseindia.com and www.nseindia.com

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at www.horizonmanagement.in.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

For **THINKING HATS ENTERTAINMENT SOLUTIONS LIMITED**

Sd/-

Gaurav Singhania

Whole-time Director and Chief Financial Officer

DIN: 08868413

Place: Mumbai

Date: September 18, 2024

Disclaimer: Thinking Hats Entertainment Solutions Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Mumbai, on September 17, 2024, and thereafter with SEBI and the Stock Exchange. The RHP is available on the website of SEBI at www.sebi.gov.in, NSE at www.nseindia.com and is available on the website of the BRLM at www.horizonmanagement.in. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled "Risk Factors" beginning on page 27 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being issued and sold outside the United States in 'offshore transactions' in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.