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[Please scan this QR Code to view the addendum]



**BAWEJA STUDIOS LIMITED**

**CIN: U92112MH2001PLC131253**

Our Company was incorporated as “Baweja Movies Private Limited” on March 16, 2001 under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Further, the name of our Company was changed to “Baweja Studios Private Limited” vide special resolution passed in the Extraordinary General Meeting dated July 09, 2021. The fresh certificate of incorporation consequent to name change was issued on September 06, 2021 by the Registrar of Companies, Mumbai. Subsequently, our Company converted from a private limited company to a public limited company and the name of our Company was changed to “Baweja Studios Limited” pursuant to a fresh certificate of incorporation granted to our Company by the RoC, Mumbai, dated December 01, 2021 bearing CIN U92112MH2001PLC131253. For more details please refer to chapter titled “History and Other Corporate Matters” on page 139 on the Draft Red Herring Prospectus

**Registered Office:** C-65, Aashirwad, Lokhandwala Complex, Andheri (West) Mumbai City – 400053, Maharashtra India;

**Tel No. / Mob No:** +91 22 3590 1403; **Email:** [cs@bawejastudios.com](mailto:cs@bawejastudios.com) ;

**Website:** [www.bawejastudios.com](http://www.bawejastudios.com)

**Contact Person: Nidhi Gajera, Company Secretary & Compliance Officer**

**PROMOTERS OF THE COMPANY:** Harjaspal Singh Baweja, Paramjit Harjaspal Baweja, Harman Baweja and Rowena Baweja.

**ADDENDUM TO THE DRAFT PROSPECTUS DATED JUNE 22,2023: NOTICE TO THE INVESTORS (“THE ADDENDUM”)**

#### **THE ISSUE**

**INITIAL PUBLIC ISSUE OF UP TO A TOTAL OF 54,00,000 EQUITY SHARES WHICH INCLUDES A FRESH SIZE ISSUE OF UPTO 40,00,000 EQUITY SHARES AND OFFER FOR SALE UPTO 14,00,000 EQUITY SHARES. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES OF BAWEJA STUDIOS LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”), (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING ₹ [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [●] EACH AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH**

FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 229 OF THE DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00/- EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE ISSUE PRICE IS ₹ [●]/- PER EQUITY SHARE.

This addendum (“Addendum”) should be read in conjunction with the Draft Prospectus dated June 22, 2023 filed with EMERGE Platform of NSE in relation to the Initial Public Issue of Baweja Studios Limited.

In this regard, the Investor should note the following modifications to the information disclosed in the Draft Prospectus:

1. In section I- General in the Chapter titled “*Summary of Offer Document*” on page 24 of the Draft Prospectus, the summary of litigation table has been updated.
2. In section II –Chapter titled “*Risk Factors*” on page 30 of the Draft Prospectus, has been with addition, shifting, and modification of certain risk factors.
3. In section IV - Particulars of the issue in the Chapter titled “*Objects of the Offer*” on page 84 of the Draft Prospectus has been updated to include the requirement of funds, utilization of net proceeds and details of use of Issue Proceeds, assumptions and justifications for our estimated working capital requirements.
4. In section V -About the Company, in the Chapter titled “*Business Overview*”, on page 119 of the Draft Prospectus, revision of statements in business overview, updation of table under the heading of our client base, the details pertaining to the studio, table of immovable properties have been incorporated.
5. In section V -About the Company, in the Chapter titled “*Our Management*”, on page 143 of the Draft Prospectus, the Brief Biographies of our Directors and confirmations has been updated.
6. In the section V - About the Company, in the Chapter titled “*Promoter and Promoter Group*” on page 156 of the Draft Prospectus, the following entity added in the promoter group
7. In section VI-Financial Statements, in the Chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 205 of the Draft Prospectus under the significant dependence on a single or few suppliers or customers table, reasons for change in financial position of the company. has been revised.
8. In section VII- Legal and Other Information, in the Chapter titled “*Government and Other Approvals*” on page 217 of the Draft Prospectus, the table of industrial, business and labour related approvals/ registration/ certificate has been updated and key approvals applied for by our company has been inserted.

The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should read the Red Herring Prospectus as and when filed with the RoC, SEBI and the Stock Exchange before making an investment decision in the Issue. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

All capitalised terms used in this Addendum shall unless the context otherwise requires, have the same meanings as ascribed in the Draft Red Herring Prospectus.

For and on behalf of **BAWEJA STUDIOS LIMITED**

S/d-

Nidhi Gajera

Company Secretary and Compliance Officer

Place: Mumbai

Date: September 16, 2023

	<p><b>LEAD MANAGER TO THE ISSUE</b> <b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3<sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India <b>Tel No.:</b> +91 81049 85249; <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>; <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> ; <b>Contact Person:</b> Saipan Sanghvi <b>SEBI Registration No.:</b> INM000010163</p>		<p><b>REGISTRAR OF THE ISSUE</b> <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor Okhla Industrial Area, Phase-I New Delhi - 110020, Delhi, India Tel No: +91 22 6263 8200 <b>Tel No:</b> 011-40450193-97 <b>E-mail Id :</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Website :</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Contact Person :</b> Anuj Kumar <b>SEBI Registration No:</b> INR000003241</p>
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**Date: September 16, 2023**

**Place: Mumbai**

**BAWEJA STUDIOS LIMITED**

**On behalf of the Board of Directors**

Sd/-

**Harman Baweja**

**Managing Director**

**DIN: 02663280**

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**SECTION I- GENERAL**  
**DEFINITIONS AND ABBREVIATIONS**

The following definition shall be added in the sub-section “– Corporate Related Terms” on page 6 of the Draft Red Herring Prospectus

Corporate Related Terms

Term	Description
Addendum	The addendum dated September 16, 2023 to the Draft Red Herring Prospectus

## SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS:

(₹ in Lakhs)

Nature of Cases	Number of Cases	Total Amount Involved
<b>Proceedings against our Company</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil
<b>Proceedings by our Company</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil
<b>Proceedings against our Promoter</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	1	2.50
Action by regulatory authorities	Nil	Nil
<b>Proceedings by our Promoter</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil
<b>Proceedings against our Group Companies</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil
<b>Proceedings by our Group Companies</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil
<b>Proceedings against our Directors</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	2	2.51
Action by regulatory authorities	Nil	Nil
<b>Proceedings by our Directors</b>		
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings	Nil	Nil
Action by regulatory authorities	Nil	Nil

## SECTION - II – RISK FACTOR

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

We have in the past entered into related party transactions and may continue to do so in the future. Our Company has entered into certain transactions with the Promoter, Promoter Group and Directors. While our Company confirm that all the related party transactions have been conducted on the arm's length basis and they are in compliance with the relevant provisions of Companies Act, 2013 and other applicable law but there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations. For details on the related party transactions entered into by our Company, please refer to chapter titled "Restated Financial Statements" on page 166. We further confirm that the related party transactions in the latest audited financials of the Company are in compliance with applicable provisions of Companies Act, 2013.

### ***21. There have been instances of non-filing and delayed filing in RoC compliances.***

In the past, there have been instance of non-filing of e-forms MGT-14 for a Board Meeting and General Meeting dated December 10, 2022 for increase in authorized share capital of a Company and Form 32 for resignation of Harman Baweja as Director prior to calendar year 2007 was not found in Company's record. Despite our efforts for compliance, we cannot provide a guarantee of zero noncompliance with RoC or any other statutory body. In case of any such delay, our profitability could be negatively affected.

### ***24.. Our Company has not identified Micro, Small or Medium Enterprises as Micro, Small and Medium Enterprise Development, Act 2006***

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

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

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

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

Further, our Company had identified 34 MSME vendors as on date of this addendum and we shall file MSME e-form with Registrar of Companies (ROC) from time to time as and when applicable. Our Company has not received any claim for interest from any supplier as at the balance sheet date

Further, our Company also confirmed that no claim for interest for delay payment is received from MSME supplier as on date of this addendum

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

Our Company in the ordinary course of business enters into various understanding/ engagement/agreement/MOUs with respect to our scope of services, content, etc. As an industry

practice this document are executed on letterhead, plain paper and are not stamped. Few of our agreements may not be adequately stamped or registered. The effect of inadequate stamping is that the document may not be admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, may make the document inadmissible in legal proceedings.

While there are no instances where our Company has entered into any disputes nor any disputes is alleged against our Company with respect to such service agreements and hence, we may not be able to quantify the implication of such inadequate stamping or registration on such service agreement. We cannot assure you that in future we will be not subject to any litigation or claim by any third party.

Some of the key documents, which may not be adequately stamped such as production agreement, co-production term sheet, deed of assignment, film/rights acquisition agreement etc. However, our Company had purchase the stamp duty equal to value of its obligations to avoid any short payment of stamp duty. Our Company further undertakes to pay interest or penalty as and when levied by the appropriate authority. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on our business, cashflows or profitability.

***40 One of the Non-Executive Independent Director of our Company, i.e., Yatin Gupta in the past has delayed in credit card repayments.***

While there no default in respect of payment of interest and/or principal to lenders except delayed in several occasions in credit card repayment. There has been no regulatory action taken or any order/passed against him.

We cannot provide assurance that such delays will not occur again in the future.

***41. One of the members of our promoter group namely. Harish Ramchandani in the past has delayed in repayment of loan and made delayed in statutory compliance***

Harish Ramchandani, a member of the promoter group of the Company, has in the past a record of non-compliance with financial and legal obligations. It includes instances of delayed filing of annual reports as required under the Companies Act, 2013. as a result, Harish Ramchandani was appeared in the defaulter's list. Pursuant to complying with respect to filing annual return as required under the Companies Act, 2013, as on date he is not appearing in the defaulter list

While there no default in respect of payment of interest and/or principal to lenders except there has been delayed in of delayed repayment of loans. There has been no regulatory action taken or any order/passed against him.

We cannot provide assurance that such delays will not occur again in the future.



**SECTION - IV – PARTICULARS OF THE OFFER**  
**OBJECT OF THE OFFER**

**REQUIREMENT OF FUNDS AND UTILIZATION OF NET PROCEEDS**

The Net Proceeds are proposed to be utilised and are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Amount to be funded from Net Proceeds**	Estimated utilisation of Net Proceeds	
		FY 2024**	FY 2025**
To meet the working Capital requirements	Upto 5410.00	Upto 2715.00	<b>Upto 2695.00</b>
General Corporate Purposes*	Upto 1960.00	Upto 1960.00	-
<b>Total</b>	<b>Upto 7370.00</b>	<b>Upto 4675.00</b>	<b>Upto 2695.00</b>

The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

\*\* To be determined after finalization of the Offer Price and updated in the Prospectus prior to filing of the RoC.

The above tentative issue size is subject to various external and internal factors.

**Details of utilization of the Net Proceeds**

**Basis of estimation of working capital requirement:**

Our Company is engaged in the business of production of entertainment content including films, animation & Digital web series. Our Company undertakes a thorough development process of each entertainment content that it initially intends to produce. With an objective to maximise the return on investment and to maintain creativity of the project, we undertake some of the initial development process which provides required information about the cast, time to complete and cost involved (this process is called as “green lit” under the industry parallel). The development process till green lit involves a cost of approximately 10%-15% of the total cost of a project. Once the project is green lit, we make onward sales of the project to a studio or platform. Once the project is onward sold by us collect money from the studio or platform based on the agreed milestones

We has projects under pipeline at various stages of approximately ₹ 60,000 lakhs . The expenses incurred by us towards the project is accounted as inventories till delivery/completion on a pro rata basis. Based on the above initial stage project pipeline we have to incur an amount of ₹ 5000 lakhs to ₹ 6500 lakhs (range) till the projects is green lit, over the Fiscal of FY 2024 and FY 2025. A portion of the amount will be met out of internal accrual and cash flows received from studio or platform.

On the basis of existing and estimated working capital requirement of our Company, and key assumptions for such working capital requirements, which are mentioned below, our Board, has approved the projected working capital requirements for financial years 2024 and 2025, and the proposed funding of such working capital requirements as set forth in the table below:

(₹ in lakhs)

Particular	For the Financial Year	
	March 31, 2024	March 31, 2025
<b>Current assets</b>		

Particular	For the Financial Year	
	March 31, 2024	March 31, 2025
Inventories	3875.00	6100.00
Financial Assets		
i. Trade Receivables	1300.00	2050.00
ii. Loans and Advances	750.00	1150.00
iii. Others	21.00	36.00
Current Tax Assets	320.00	395.00
Other Current Assets	110.00	175.00
<b>Total current assets (A)</b>	<b>6,376.00</b>	<b>9906.00</b>
<b>Current liabilities</b>		
Trade Payables	1,750.00	2750.00
Short term provisions	17.00	27.00
Other Current Liabilities	17.00	27.00
<b>Total current liabilities (B)</b>	<b>1784.00</b>	<b>2,804.00</b>
<b>Net working capital (A-B)</b>	<b>4592.00</b>	<b>7102.00</b>
<b>Sources of funds</b>		
Borrowings (including Overdraft Facility and Inter Corporate Loan)		
Internal Accruals / Equity	1,877.00	4407.00
Amount proposed to be utilized from Net Proceed (IPO proceed)	2,715.00	2,695.00
<b>Total means of finance</b>	<b>4592.00</b>	<b>7102.00</b>

Assumptions for our estimated working capital requirements:

(Days)

Particulars	As at				
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
<b>Current assets</b>					
Inventories	221	85	110	110	110
Trade receivables	146	52	37	37	37
<b>Current liabilities</b>					
Trade payables	105	75	67	50	50

Inventories	The holding level of inventories was 221 days, 85 days and 110 days for Fiscal 2021, Fiscal 2022 and Fiscal 2023 respectively. The holding level for Fiscal 2021 increased due to restriction imposed during Covid-19 which resulted close down of film industry. In FY 2022-23, the inventory holding days has increased from 85 to 110 days, as our Company has built up content pipeline to exploit future business opportunities. Considering the projects under pipeline as detailed above, the inventories amount would increase to ₹ 3875 Lakhs in Fiscal 2024 and ₹ 6100 in Fiscal 2025. Accordingly, in the FY 2023-24 and FY 2024-25 the inventory levels are expected to rise as the Company will be investing in projects while the revenue would be recognized in the subsequent financial year.
Trade receivables days	The holding level for trade receivable days was 146 days, 52 days and 37 days for Fiscal 2021, Fiscal 2022 and Fiscal 2023 respectively. In Fiscal 2024 and Fiscal 2025, the Trade Receivable holding days are expected to remain in line with against FY 2022-23 as our Company would maintain its receivable days to optimized its cash flow position.
Trade payables days	The holding level for trade payable days was 107 days, 75 days and 67 days for Fiscal 2021, Fiscal 2022 and Fiscal 2023 respectively. Our Company expects that suppliers for content will be paid on a shorter cycle (in order to get better pricing) as compared to the present cycle, hence creditor days is expected to reduce relatively to 50 days for Fiscal 2024 and Fiscal 2025

**SECTION - V – ABOUT THE COMPANY**  
**BUSINESS OVERVIEW**

**OVERVIEW**

While our Company believes that we are an in-house creative producer's team with experienced professionals and a skilled production team, forming the backbone of the Company. Our focus is on delivering high-quality and cost-effective productions.

**OUR STUDIO:**

Our Company possesses a studio situated within their registered office at Flat No. C/64 and C/65, Ashirwad, 2nd Cross Lane, Lokhandwala Complex, Andheri, Mumbai - 400053. The office spans an area of 56.69 sq. m for C/64 and 54.83 sq.m for C/65, and is equipped with in-house state-of-the-art digital post-production studio which provides services such as digital intermediate processing, film restoration, format conversions, movie editing, among others.

<b>Address</b>	C-64 and C-65, Ashirwad, 2 <sup>nd</sup> Coss Lane, Lokhandwala Complex, Andheri, Mumbai-400053.
<b>Size</b>	Studio spans an area of 56.69 sq.m for C/64 and 54.83 sq.m for C/65

Sr. No	Department	Model No. and Serial No.
1	Edit 1	Mac: iMac (Retina 5K, 27-inch 2019) : C02ZX0R8JV3Q
2.	Edit 2	1. Mac: iMac (Retina 5K, 27-inch 2017) 2. Dell : CN-0T8RY2 3. ANDROID SMART TV : MYM-H1K170107-1612 4. Yamaha Speaker: HS5
3.	Edit 3	1. Mac Studio (2022) 2. Dell: SE2722H 3. Yamaha Speaker: HS5 4. Mac: iMac (Retina 5K, 27-inch 2017) : C02X91FJJ1GJ

**The number of staff involved in the production process of the films**

The number of staff requirements for the production process varies from project to project, but on average basis it is around 100-150 skilled professionals throughout the entire production journey. These professionals include, but are not limited to, directors, producers, supervisors, directors of photography, assistants, costume designers etc.

As on date, we have the total strength of 16 full-time employees in various departments. The details are as follows:

Sr. No.	Category	No. of People
1.	Managing Director	1
2.	Whole-Time Director	1
3.	Company Secretary & Compliance Officer	1
4.	Chief Financial Officer	1
5.	Accounts & Finance	4
6.	Office staff	8
	<b>Total</b>	<b>16</b>

For every project, the Company appoint contractor for their daily needs of staff/worker for the production activity and also hire professional skilled persons / experts like cinematographer, sound recordist, art head, executive producer, line producer etc. Every project differs in the requirement of such contractor workers. Since the requirement of these workers are uncertain and are for short period, company appoints, as industry practice, contractor for labour requirements.

#### OUR CLIENT BASE:

Particulars	FY23	FY22	FY21
Top 5 customers (₹ in Lakhs)	6,569.75	3,436.21	1,866.14
Top 10 customers (₹ in Lakhs)	7,729.18	4,058.03	1,944.54
Top 5 customers (%)	84.89%	84.41%	95.97%
Top 10 customers (%)	94.21%	99.68%	100.00%
Top 10 Suppliers (₹ in Lakhs)	3,957.27	536.63	389.73
Top 10 suppliers (%)	63.20%	15.37%	74.37%

#### OUR PROPERTIES

##### *Immovable Properties*

Sr. No.	Details of the Property	Rights	Owner/ Lessor	Purpose Used	Consideration/ Lease Rental/ License Fees (₹)
1	Flat No. C/64, Ashirwad, 2nd Cross Lane, Lokhandwala Complex, Andheri, Mumbai - 400053	Owned	Baweja Studios Limited	Additional space/ Combine	₹ 2,38,92,000
2	Flat No. C/65, Ashirwad, 2nd Cross Lane, Lokhandwala Complex, Andheri, Mumbai - 400053	Owned	Baweja Studios Limited	Registered Office	₹ 2,31,08,000
3	Flat No. 1307, 1310, 1316, 1317, 13th Floor, Peninsula Park, Veera Desai Road, Andheri West – 400053	Rent	Mrs. Gupta Saroj	Corporate Office	₹ 3,57,500 per month

## OUR MANAGEMENT

### **Brief Biographies of our Directors**

Paramjit Harjaspal Baweja, aged 67, is an Executive Director of our Company. She is also one of the Promoters of our Company. She has been associated with our Company since its incorporation as a Director and Promoter. She has experience over 20 years in the film industry. She has been a producer in a few films in bollywood film industry. She also holds degree in bachelor in art from the Agra University.

For more details, please refer to risk factor “*The Qualification and Experience proof of some of our Promoters & Directors may not be available*” for details of their profile included in this Red Herring Prospectus”

### **Confirmations**

Company was stuck off by ROC vide Notice no. ROC Mumbai 248(1)3659092019 dated 19.07.2019 and notice in form STK-5 issued pursuant to Section248(5) of Companies Act,2013 in the name of Practice next Digital Private Limited.

## **OUR PROMOTER AND PROMOTER GROUP**

*Our Promoter Group as defined under Regulation 2(1)(pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:*

- 1) Master Properties Private Limited
- 2) Panache Properties Private Limited
- 3) Ramchandani Private Limited
- 4) Star Racings Studs Private Limited
- 5) Chinoy Chhablani & Co.
- 6) Blazing Door
- 7) C. Gem & Jewels Private Limited

## SECTION - VI – FINANCIAL STATEMENTS

### MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

#### 10. Any significant dependence on a single or few suppliers or customers.

PARTICULARS	Fiscal 2023	Fiscal 2022	Fiscal 2021
Top 10 supplier (₹ in lakhs)	3957.27	536.63	389.72
% to cost of content production	63.20%	15.37%	74.37%

#### REASONS FOR CHANGE IN FINANCIAL POSITION OF THE COMPANY.

#### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022

Income:

Total Revenue

Our total revenue increased by 86.20% to ₹7,628.31 Lakhs for Fiscal 2023 from ₹ 4,096.79 Lakhs for Fiscal 2022.

Revenue from Operations

Our revenue from operations increased by 81.26% to ₹ 7,379.05 Lakhs for Fiscal 2023 from ₹ 4,071.02 Lakhs for Fiscal 2022. The company witnessed a significant year-on-year increase in revenue from operations, attributable to revenues realized from a number of movies completing various stages of development and the acquisition/signing of new movie contracts during the year.

Other Income

Our other income increased by 867.35% to ₹ 249.26 Lakhs for Fiscal 2023 from ₹ 25.77 Lakhs for Fiscal 2022. The primarily attributable to sundry balances written back (net) towards abandoned projects, advance written back/written off, loans amounting to ₹ 187.21 Lakhs in Fiscal 2023.

Expenditure



## Operational expenses

Our cost of operational expenses was increased by 79.30% to ₹ 6,261.42 Lakhs for Fiscal 2023 from ₹ 3,492.19 Lakhs for Fiscal 2022. This increase in total production costs is primarily attributable to multiple project developments being undertaken in the fiscal year 2023 as compared to the previous fiscal with as much as the projects going into development.

## Employee Benefits Expenses

The employee benefits expense increased by 201.13% to ₹ 57.07 Lakhs for Fiscal 2023 from ₹ 18.95 Lakhs for Fiscal 2022. This was primarily attribute to increase in production activity during FY23.

## Finance Cost

The finance costs increased significantly by 75.01% to ₹ 49.03 Lakhs for Fiscal 2023 from ₹ 28.02 Lakhs for Fiscal 2022. The substantial increase in finance costs can be attributable to the increase in Bank & Other finance charges and Interest paid during FY23.

## Depreciation and amortization expense

Our depreciation and amortization expense increased by 201.73% to ₹ 32.72 Lakhs for Fiscal 2023 from ₹ 10.84 Lakhs for Fiscal 2022. This substantial increase is due to the multifold increase in the property, plant and equipment from ₹ 49.22 Lakhs to ₹ 162.49 Lakhs.

## Other Expenses

Our other expenses increased by 23.60% to ₹ 150.94 Lakhs for Fiscal 2023 from ₹ 122.12 Lakhs for Fiscal 2022. The principle attribute was generally in line with increase in rent and miscellaneous expenses.

## Tax expenses

Our tax expenses increased from ₹ 132.84 Lakhs to ₹ 272.65 Lakhs for Fiscal 2023, primarily due to a increase in Profit before Tax.

## Profit after Tax (PAT)

For the reasons discussed above, our profit after tax increased by 188.79 % to ₹ 796.91 Lakhs for Fiscal 2023 from ₹ 275.94 Lakhs for Fiscal 2022. Profit has improved due to increase in total income.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

Income:

Total Revenue

Our total revenue increased by 109.65% to ₹ 4,096.79 Lakhs for Fiscal 2022 from ₹ 1,954.11 Lakhs for Fiscal 2021.

Revenue from Operations

Our revenue from operations increased by 99.37% to ₹ 4,071.02 Lakhs for Fiscal 2022 from ₹ 1,944.54 Lakhs for Fiscal 2021. The company witnessed a significant year-on-year increase in revenue from operations, which can be attributed to a number of movies completing its various stages of development and the acquisition/signing of new movie contracts. During FY21, substantial revenues were generated from the sale of intellectual property rights as opposed to revenue realization from completing various production stages, which was impacted due to the imposition of restrictive measures of COVID-19.

Other Income

Our other income increased by 169.20% to ₹ 25.77 Lakhs for Fiscal 2022 from ₹ 9.57 Lakhs for Fiscal 2021. The primarily attributable to interest received for delay in payment by another party.

Expenditure

Operational expenses

Our cost of operational expenses was increased by 566.38% to ₹ 3,492.19 Lakhs for Fiscal 2022 from ₹ 524.05 Lakhs for Fiscal 2021. The noteworthy increase in total production costs can be primarily attributed to the resumption of various project developments in the year following the Covid-19 restrictions and lockdowns. These restrictions had previously halted production activities, necessitating intensified efforts and expenditures to continue and progress with multiple projects during the stated period.

Employee Benefits Expenses

The employee benefits expense increased by 31.91% to ₹ 18.95 Lakhs for Fiscal 2022 from ₹ 14.37 Lakhs for Fiscal 2021. This was primarily attribute to increase in production activity post Covid-19.

## Finance Cost

The finance costs reduced marginally by 269.19% to ₹ 28.01 Lakhs for Fiscal 2022 from ₹ 7.59 Lakhs for Fiscal 2021. The substantial increase in finance costs can be attributable to the increase in borrowings during the same period.

## Depreciation and amortization expense

Our depreciation and amortization expense decreased by 259.42% to ₹ 10.84 Lakhs for Fiscal 2022 from ₹ 3.02 Lakhs for Fiscal 2021. This substantial increase is due to the multifold increase in the property, plant and equipment from ₹ 10.46 Lakhs to ₹ 49.22 Lakhs.

## Other Expenses

Our other expenses decreased by 37.41 % to ₹ 122.12 Lakhs for Fiscal 2022 from ₹ 195.12 Lakhs for Fiscal 2021. The principle attribute was generally in line with decrease in Legal & Professional Fees and Repairs and Maintenance Cost.

## Tax expenses

Our tax expenses decreased by ₹ 132.84 Lakhs form Fiscal 2022 from ₹ 393.08 Lakhs for Fiscal 2021, primarily due to a decrease in Profit before Tax.

## Profit after Tax (PAT)

For the reasons discussed above, our profit after tax decreased by 63.91 % to ₹ 275.94 Lakhs for Fiscal 2022 from ₹ 764.60 Lakhs for Fiscal 2021. During FY21, the company strategically decided to sell off its intellectual property rights to Soham Rockstar Entertainment Pvt. Ltd., which constituted a substantial portion of its revenues. Additionally, the temporary halt in production activities resulted in reduced operational expenses, contributing to higher revenues and profit after tax (PAT) as compared to the fiscal year 2022, when the company resumed its production activities in full swing.

**SECTION - VII – LEGAL AND OTHER INFORMATION**  
**GOVERNMENT AND OTHER APPROVALS**

**IV. INDUSTRIAL, BUSINESS AND LABOUR RELATED APPROVALS/ REGISTRATION/ CERTIFICATE**

Sr. No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1	Form I-A Certificate of Registration	Maharashtra State Tax on Professions, Trades, Calling and Employments Act, 1975	21453	September 07, 2001	NA
2	Form II-A Certificate of Enrolment	Maharashtra State Tax on Professions, Trades, Calling and Employments Act, 1975	1055939	September 07, 2001	NA
3	ST-2 Certificate of Registration	Office of the Assistant Commissioner of Service Tax, Division IV, Mumbai	AABCB6023CST00 1	June 24, 2009	NA
4	Shop & Establishment License	Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017	890670914 / KW Ward / Commercial IT	December 15, 2022	NA
5.	Shop & Establishment License	Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017	890754275 / KW Ward / COMMERCIAL II		
6.	UDYAM Registration Certificate (MSME)	Ministry of Micro, Small and Medium Enterprises	UDYAM-MH-18- 0098329	September 23, 2021	NA

## VII KEY APPROVALS APPLIED FOR BY OUR COMPANY

Sr. No.	Description	Address of Place of Business / Premises	Application id	Applied With	Date and acknowledgement Number
1	Shop & Establishment License	1307, 1310 13th Floor, Peninsula Park, Veera Desai Road, Andheri West – 400053	890754275 / KW Ward / COMMERCIAL II	Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017	July 28, 2023

## SECTION - X – OTHER INFORMATION

### DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum to Draft Red Herring Prospectus are true and correct

#### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR	DESIGNATION	SIGNATURE
Harman Baweja	Chairman and Managing Director	Sd/-
Paramjit Harjaspal Baweja	Executive Director	Sd/-
Rowena Baweja	Non-Executive Director	Sd/-
Amreeta Roy Panneriy	Non-Executive Independent Director	Sd/-
Anil Rustgi	Non-Executive Independent Director	Sd/-
Yatin Gupta	Non-Executive Independent Director	Sd/-

#### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

NAME OF Person	DESIGNATION	SIGNATURE
Amar A Raut	Chief Financial Officer	Sd/-

**Date:** September 16, 2023

**Place:** Mumbai