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CONNPLEX CINEMAS LIMITED

(Formerly known as VCS Industries Limited)

CIN: U74110GJ2015PLC111882

Our Company was originally formed as “Fohatron Power Limited” vide registration no. 284745 under the provisions of Companies Act 2013 pursuant to Certificate of Incorporation dated September 1, 2015 issued by Registrar of Companies, Delhi. Further, the name of our Company was changed to VCS Industries Limited pursuant to fresh certificate of incorporation issued by Registrar of Companies, Delhi on February 16, 2018. The Registered office of our Company was shifted from Delhi to Gujarat w.e.f., November 18, 2019. Further, the name of our Company was changed to Connplex Cinemas Limited pursuant to fresh certificate of incorporation issued by Registrar of Companies, Central Processing Centre on August 14, 2024. For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 168 of this Draft Red Herring Prospectus.

Registered Office: Block C-1001, Krish Cubical, Opp. Avalon Hotel, Nr. Govardhan Party Plot, Thaltej, Ahmedabad, Daskroi-380059, Gujarat, India

Tel No.: +91- 07935289865/07935288291; **Email:** info@theconnplex.com; **Website:** www.theconnplex.com

Contact Person: Mrs. Ratika Khandelwal, Company Secretary and Compliance Officer.

OUR PROMOTERS: MR. ANISH TULSHIBHAI PATEL AND MR. RAHUL KAMLESHBHAI DHYANI

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JANURAY 16, 2025: NOTICE TO THE INVESTORS (“THE ADDENDUM”)
INITIAL PUBLIC ISSUE OF UPTO 51,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF CONNPLEX CINEMAS LIMITED (“CCL” OR “OUR COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS, OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”) AND NET ISSUE TO PUBLIC OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹ [●] AGGREGATING TO ₹ [●] LAKHS (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 OUR COMPANY.

Potential Bidders may note the following:

- The chapter titled “Offer Document Summary” beginning on page 18 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Offer Document Summary” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Risk factors” beginning on page 23 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Risk factors” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “General Information” beginning on page 49 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “General Information” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Capital Structure” beginning on page 61 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Capital Structure” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Object for the Issue” beginning on page 80 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Object for the Issue” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Business Overview” beginning on page 123 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Business Overview” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Our Management” beginning on page 174 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Our Management” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Our Promoter and Promoter Group” beginning on page 189 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Our Promoter and Promoter Group” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Management Discussion & analysis of financial conditions & results of operation” beginning on page 196 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Management Discussion & analysis of financial conditions & results of operation” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Outstanding Litigations and Material Development” beginning on page 207 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Outstanding Litigations and Material Development” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Government and other approvals” beginning on page 213 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Government and other approvals” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 229 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Other Regulatory and Statutory Disclosures” section of this addendum. Please note that all other details will be carried out in the offer document.
- The chapter titled “Issue Procedure” beginning on page 254 of Draft Red Herring Prospectus has been updated to amend the details mentioned in “Issue Procedure” section of this addendum. Please note that all other details will be carried out in the offer document.

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 Exchange. 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.

Date: June 11, 2025 Place: Ahmedabad	On Behalf of Connplex Cinemas Limited Sd/- Mr. Anish Tulshibhai Patel Managing Director DIN: 07823715
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
BEELINE CAPITAL ADVISORS PRIVATE LIMITED B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India. Tel. No.: +91-079-49185784 Email: mb@beelinemb.com Website: www.beelinemb.com Investor Grievance Email: ig@beelinemb.com Contact Person: Mr. Nikhil Shah SEBI Registration No.: INM000012917	MUFG INTIME INDIA PRIVATE LIMITED (Formerly known as Link Intime India Private Limited) Address: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, Maharashtra, India Tel. No.: +91-8108114949 Email: connplex.smeipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: connplex.smeipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058
BID/OFFER PROGRAMME	
ANCHOR INVESTOR BIDDING DATE	[●]*
BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

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SECTION II: OFFER DOCUMENT SUMMARY

➤ **Point D will be read as:**

D. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
A.	PROMOTER				
1.	Anish Tulshibhai Patel	66,70,800	47.65	66,70,800	[●]
2.	Rahul Kamleshbhai Dhyani	66,70,800	47.65	66,70,800	[●]
	TOTAL (A)	1,33,41,600	95.30	1,33,41,600	[●]
B	PROMOTER GROUP				
1.	Indumati Tulshibhai Patel	1,400	0.01	1,400	[●]
2.	Tulshibhai Kanjibhai Patel	1,400	0.01	1,400	[●]
3.	Kamlesh Jayantilal Dhyani	1,400	0.01	1,400	[●]
4.	Archana Rahulbhai Dhyani	1,400	0.01	1,400	[●]
5.	Poonam Anish Patel	1,400	0.01	1,400	[●]
6.	Megha Keyur Joshi	1,400	0.01	1,400	[●]
	TOTAL (B)	8,400	0.06	8,400	[●]
	GRAND TOTAL (A+B)	1,33,50,000	95.36	1,33,50,000	[●]

For further details, refer chapter titled “Capital Structure” beginning on page no. 61 of this Draft Red Herring Prospectus.

➤ **Point L and M will be read as:**

L. The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Anish Tulshibhai Patel	64,20,950	Nil
Mr. Rahul Kamleshbhai Dhyani	64,20,950	Nil

*The weighted average cost of acquisition of Equity Shares for last one year by our Promoters has been calculated by taking into account the amount paid by them to acquire Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

M. The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Anish Tulshibhai Patel	66,70,800	0.00
Mr. Rahul Kamleshbhai Dhyani	66,70,800	0.00

*The weighted average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

SECTION III - RISK FACTORS

➤ **Risk factor no. 24 will be read as:**

24. Our company has issued the guarantee in connection with leasing a property which exposes to certain financial risks.

Our company has issued a guarantee in connection with the lease of a property, secured by a lien over ₹150.00 Lakhs in fixed deposits held with HDFC Bank. It is given in favour of Ratnabhumi Buildspace LLP, lessor of property. The guarantee is valid until 19th January 2029, with a claim period extending until 19th January 2030. This guarantee serves as financial security for lease obligations related to the property in Ahmedabad and follows an annual reduction schedule. The guarantee may only be invoked in the event of a breach of the lock-in period or failure to meet agreed obligations. In such cases, the bank is required to process payments within five working days upon the beneficiary's written request. The guarantee remains irrevocable and enforceable, irrespective of any disputes or changes in ownership or structure.

In the event that the company is unable to fulfill its obligations under the lease agreement, bank may seize the fixed deposits to cover any unpaid liabilities or costs related to the lease. This would result in a direct financial loss for the company, which could have otherwise been used for other investments or operational needs.

Furthermore, if the company's financial situation deteriorates, it may face difficulties in meeting the terms of the guarantee, such as failing to make timely payments. This could further strain its cash flow, reduce available liquidity, and potentially weaken its financial position. In the worst-case scenario, the company could lose the security provided by the fixed deposits, which may exacerbate its financial challenges and hinder its ability to operate effectively.

For further details regarding Financial Statements, please refer chapter titled "Financial Statements of company" on Page 194 of this Draft Red Herring Prospectus.

➤ **Risk factor no. 28, 31, 33, 34, 39, 40 will be read as:**

28. Poor customer service during peak hours may result in a decline in customer satisfaction, loss of repeat business, and reputational damage, undermining long-term customer loyalty.

Providing consistent and high-quality customer service during peak hours is essential to ensuring a positive cinema experience. However, the challenge of managing increased demand during busy times—such as long wait times, crowded facilities, or insufficient staffing—can result in service lapses. If customers experience poor service during these critical periods, it can lead to immediate dissatisfaction and reduce the likelihood of repeat visits.

A decline in customer satisfaction during peak hours can have a cascading effect on our business. Dissatisfied customers may share negative feedback through online reviews or word-of-mouth, which can damage our brand's reputation and make it harder to attract new patrons. Over time, persistent issues with customer service could erode customer loyalty, leading to a loss of repeat business and reduced revenue.

Although, we have not encountered any major issues related to poor customer service. However, should any customer complaints arise in the future, we will take them seriously and provide prompt resolutions. Additionally, customers can reach out to us via email for any such concerns. The unpredictable nature of peak-hour demand may still pose challenges, and lapses in service quality during these times can have lasting effects on our reputation and profitability.

31. Failure to negotiate favorable terms with movie distribution houses may result in increased costs and reduced profit margins, affecting overall financial performance

Our ability to negotiate favorable terms with movie distribution houses is crucial for maintaining a healthy cost structure and ensuring consistent access to high-demand films. If we are unable to secure beneficial agreements, we may face higher distribution fees or less favorable revenue-sharing models, which can significantly increase operational costs. This could strain our financial resources and directly impact our profit margins, making it more difficult to sustain profitability over time.

As a national cinema chain, we receive movies from producers and distributors based on regular terms and conditions, with rates determined on a national scale. For blockbuster movies, producers and distributors may increase the rates.

Higher distribution costs may force us to adjust ticket prices or reduce promotional spending to offset the increased expenses, which could negatively impact customer turnout and revenue generation. Furthermore, failure to negotiate competitive terms could limit our access to popular films, weakening our ability to attract large audiences and maintain a competitive edge in the market.

33. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.*

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including related to our movable property, we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. Although we have not encountered any such situations in the past except small claims in the past. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

For further details of Insurances taken by Company, please refer chapter titled “Business Overview” beginning on Page 123 of this Draft Red Herring Prospectus.

34. *Our company may face challenges due to inconsistent quality across franchise locations, which could lead to customer dissatisfaction, damage to our brand reputation, and hinder franchise growth.*

Maintaining consistent quality across all franchise locations is critical for ensuring a positive customer experience and protecting the integrity of our brand. When operational standards, service quality, or facility upkeep vary significantly between franchise locations, it can lead to customer dissatisfaction. Patrons who experience lower-than-expected service at one location may develop negative perceptions about the entire brand, even if other franchise locations maintain higher standards. Although we have specific standards for quality at our cinema locations and insist that franchisees procure products from our approved vendors to avoid any customer dissatisfaction, which also helps maintain our brand reputation.

Inconsistent quality can also lead to brand dilution, weakening the overall appeal of our cinemas and making it more difficult to attract and retain customers. As customers lose trust in the reliability of our brand, their loyalty may decrease, leading to a potential decline in repeat business and word-of-mouth referrals. This deterioration in brand reputation can also hinder franchise growth, as potential franchisees may be reluctant to invest in a brand perceived as inconsistent.

Although we implement strict quality control measures, offer regular training programs, and conduct routine audits to ensure franchisees meet the company’s operational standards, there is no guarantee that all franchisees will adhere to the established guidelines. Inconsistencies in quality may still occur, potentially resulting in long-term damage to our brand reputation and reduced growth opportunities in the franchise sector.

39. *We are susceptible to risks relating to unionization of our workers employed by us.*

None of our workers are currently represented by a recognized collective bargaining agreement. We cannot assure you that our workers will not unionize at our facility or at our manufacturing partners facility, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. Although we have not faced any unionization of employees till date. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our products to our clients, cause clients to limit their use of our products or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

40. *Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.*

Our Company is mainly engaged in exhibition and distribution of films which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company.

On 30.11.2024, the company purchased goods, including speakers, subwoofers, surround speakers, and other items, from Noida

for delivery to Patna. However, the bill was issued with an address that was neither registered under the buyer's name nor included in the GSTIN as an additional place of business. The State Tax Officer inspected the truck and found that the delivery address was not registered in the GST certificate, leading to the issuance of a notice with a proposed penalty of ₹13,79,716. The company paid the penalty, and the goods were subsequently released. We had filed an appeal on 04.03.2025 with the Appellate Authority, requesting that the demand for tax and penalty under Form GST MOV-09, which claimed an IGST of ₹13,79,716, be set aside and that the amount be refunded. The final order from the Appellate Authority as received as on 08.05.2025 which was in our favour to get the amount as back as refund

For detail, please refer "Outstanding Litigations and Material Development" beginning on page 207 of this Draft Red Herring Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

➤ **Risk Factor 18, 25, 26, and 40 will be shifted top 15 Risk Factors and will be read as:**

11. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability

Our top ten suppliers contributed approximately 38.27%, 56.02%, 71.57% and 85.21% of our total purchases and Direct Cost for the period ended September 30, 2024, March 31 2024, March 31, 2023 and March 31, 2022 based on Restated Financial Statements. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost-effective suppliers in normal course of business.

Since our business is concentrated among relatively significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long-term relationships with our other suppliers too, there can be no assurance that we will continue to have such long-term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

12. Security breaches in booking systems could result in financial losses, reputational damage, and legal liabilities, undermining customer trust and impacting business operations

Our booking systems handle sensitive customer information, including personal and payment data, making them a prime target for cyberattacks. In the event of a security breach, there is a risk that this data could be compromised, leading to significant financial losses due to fraud, system downtime, or potential theft of sensitive information. Furthermore, such breaches could cause substantial reputational damage, as customers lose trust in our ability to safeguard their data, resulting in a decline in bookings and revenue.

A data breach could also expose the company to legal liabilities, including fines and sanctions under data protection regulations such as GDPR or other applicable laws. The costs associated with legal proceedings, compensation for affected customers, and system recovery efforts could further strain financial resources and disrupt business operations.

While we employ advanced cybersecurity measures, including encryption, firewalls, and regular system audits to minimize the risk of breaches, there is no guarantee that these efforts will prevent all threats. As cyberattacks become increasingly sophisticated, maintaining robust security remains a challenge, and any breach could severely impact our financial stability, customer relationships, and regulatory standing.

13. Our company may face challenges due to fluctuating demand during non-peak seasons and underutilization of cinema space during off-peak times. These factors could lead to revenue volatility, operational inefficiencies, and reduced profitability, ultimately affecting overall business stability and resource optimization.

Our cinema operations face significant fluctuations in demand, particularly during off-peak times, leading to underutilization of space, staff, and resources. This underutilization creates operational inefficiencies, as fixed costs such as staffing, utilities, and maintenance remain constant regardless of occupancy levels. When cinemas are not operating at full capacity, the cost-per-customer increases, reducing overall profitability. Empty theatres and underused concessions also result in wasted resources and potential revenue loss, which can impact our ability to maintain a consistent cash flow and reinvest in growth or infrastructure upgrades.

During non-peak seasons, when fewer blockbuster films are released or seasonal factors reduce audience turnout, revenue volatility further strains our ability to cover fixed expenses like rent and utilities. These inefficiencies not only reduce profit margins but also divert resources away from future investments.

14. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.

Our Company is mainly engaged in exhibition and distribution of films which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, please refer “Outstanding Litigations and Material Development” beginning on page 207 of this Draft Red Herring Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

➤ **Risk Factors 10, 24 and 27 will be read as:**

10. There have been certain instances of regulatory non-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected.

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013, few of which have not been done within the stipulated time periods at some instances. Due to these delays in filings, our Company has on those occasions paid the requisite additional fees and made the filings with the RoC in compliance with the Companies Act. Such past delays and non-compliance may render us liable to statutory penalties and could have serious consequences on our operations. While we will ensure to make the filings on time, we cannot give any assurances that there may not be similar instances of delays in the future.

In addition to above here are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies in the past, which inter-alia include clerical and typographical errors / incorrect/incomplete information by our Company with the ROC.

The errors identified in the Annual Return are clerical or typographical in nature and cannot be rectified. However, the Annual Return for the subsequent year was filed accurately, reflecting the correct shareholding pattern and transfers. These errors have not created any impact on the business performance and are immaterial to the business of the company. Additionally, the company has appointed a full-time Company Secretary to oversee clerical and typographical matters, ensuring that such errors are prevented in the future.

In addition to above, DIR 12 form filed for Change in Designation from Additional Director to Director regarding Mr. Anish Tulshibhai Patel and Rahul Kamleshbhai Dhyani are not available to us.

We have relied on search report issued by Practicing Company Secretary A B Udani & Associates dated December 24, 2024 for the above data.

Although no cognizance has been taken by the authority in any of the above matters till date and no notice in respect of same have been served by the concerned authorities till date, we are not sure that no such notice shall be issued in future or at all and in any such event we may be subjected to a penalty. However, if any action is taken by the concerned authority in the matter and in the event of any penalty being imposed against the Company by the concerned authority, the business, financial conditions and result of operations of the company shall be adversely affected. As regards corrective measure company has appointed compliance officer to ensure that all the compliance related matters are taken care of on real time basis and have further the internal controls to ensure that the flaws are cured in time.

24. Our company has issued the guarantee in connection with leasing a property which exposes to certain financial risks.

Our company has issued a guarantee in connection with the lease of a property which is currently sub-lease to franchisee for cinemas at Second Floor, 201, 202, 203, 204, Turquoise 3, South Bopal Road, Bopal, Ahmedabad, Gujarat, 380057. The Property is secured by a lien over ₹150.00 Lakhs in fixed deposits held with HDFC Bank. It is given in favour of Ratnabhumi Buildspace LLP, lessor of property. The guarantee is valid until 19th January 2029, with a claim period extending until 19th January 2030. This guarantee serves as financial security for lease obligations related to the property in Ahmedabad and follows an annual reduction schedule. The guarantee may only be invoked in the event of a breach of the lock-in period or failure to meet agreed obligations. In such cases, the bank is required to process payments within five working days upon the beneficiary's written request. The guarantee remains irrevocable and enforceable, irrespective of any disputes or changes in ownership or structure.

In the event that the company is unable to fulfill its obligations under the lease agreement, bank may seize the fixed deposits to cover any unpaid liabilities or costs related to the lease. This would result in a direct financial loss for the company, which could have otherwise been used for other investments or operational needs.

Furthermore, if the company's financial situation deteriorates, it may face difficulties in meeting the terms of the guarantee, such as failing to make timely payments. This could further strain its cash flow, reduce available liquidity, and potentially weaken its financial position. In the worst-case scenario, the company could lose the security provided by the fixed deposits, which may exacerbate its financial challenges and hinder its ability to operate effectively.

For further details regarding Financial Statements, please refer chapter titled “Financial Statements of company” on Page 194 of this Draft Red Herring Prospectus.

27. We have entered into and may enter into related party transactions in the future also.

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. These transactions, inter-alia includes salary, remuneration, revenue share to franchisee, sales etc. Our Company entered into such transactions due to easy proximity and quick execution.

We confirm that all related party transactions have been conducted on an arm's length basis and are in full compliance with the applicable laws and regulations. These transactions have been carried out in accordance with the principles of fairness and transparency, ensuring that the terms and conditions reflect those that would apply in transactions between unrelated parties. Additionally, we have adhered to all relevant legal requirements, including those outlined under the Companies Act, 2013, and the Income Tax Act, 1961, as well as any other applicable statutory provisions regarding related party transactions.

We cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

For further details of our related party transactions, please refer chapter titled “Financial Information of our Company” beginning on Page 194 of this Draft Red Herring Prospectus.

➤ **Risk factor no. 47 will be read as:**

41. We will continue to be controlled by our Promoters and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold 95.36% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoter and Promoter Group will continue to hold together [●] of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

For further details regarding our shareholding, please refer to chapter titled “Capital Structure” beginning on Page 61 of this Draft Red Herring Prospectus.

➤ **Following risk factors will be inserted and read as :**

21. Any downturn in the Indian or international cinema industries could materially adversely affect the business.

The cinema industry is influenced by multiple external factors, including economic downturns, changing consumer preferences, regulatory developments, and shifts in content consumption patterns. A decline in the Indian or international cinema industry—whether due to lower box office performance, reduced film production, or audience migration to alternative entertainment platforms—could result in decreased footfall at our theaters, directly affecting ticket sales and concession revenue. This could

significantly impact our financial performance, making it difficult to maintain profitability and sustain operational costs.

A downturn in the industry could also lead to a reduction in high-quality content availability, limiting our ability to attract audiences with blockbuster releases. Additionally, if international markets experience a decline, the supply of globally successful films could decrease, further restricting our programming options. This could weaken our competitive positioning and reduce our ability to draw large crowds consistently.

These downturns may negatively impact revenue generation and overall business performance, leading to financial instability and operational challenges.

22. Dependence on relationships and agreements with exhibitors, and any failure to maintain these relationships, or to establish and capitalise on new relationships, could materially adversely affect the business.

Our business success is significantly reliant on strong relationships and agreements with exhibitors, who play a crucial role in film distribution and screening. Any strain on these relationships—whether due to contractual disputes, changing market dynamics, or shifts in industry partnerships—could disrupt our ability to secure favorable screening terms or access high-demand films. Without stable and mutually beneficial agreements, we may face difficulties in ensuring a consistent lineup of films that attract audiences, which could lead to lower ticket sales and a decline in overall revenue.

Additionally, failure to establish and capitalize on new relationships with exhibitors could limit our ability to expand into emerging markets or secure premium screening opportunities. If competitors secure better agreements with key exhibitors, we risk losing access to preferred screening slots or facing unfavorable revenue-sharing terms, potentially weakening our market positioning. Over time, this could impact our growth strategy and limit our ability to compete effectively.

Although we actively engage in long-term partnerships, negotiate strategically beneficial agreements, and explore new collaboration opportunities to strengthen our industry presence. However, despite these efforts, there is no assurance that all relationships will remain stable or that new partnerships will yield the desired results. Any deterioration in exhibitor relationships or inability to form new ones could materially affect our business prospects and financial performance.

23. Dependence on relationships with advertisers, and any failure to maintain these relationships, or to establish and capitalise on new relationships, could materially adversely affect the business.

Advertising revenue is a critical component of our business model, complementing income from ticket sales and concessions. Our ability to attract and retain advertisers depends on maintaining strong relationships and offering effective promotional opportunities within our cinema network. Any deterioration in these relationships—whether due to shifting advertiser preferences, market downturns, or failure to deliver expected advertising reach—could result in reduced advertising revenue, impacting overall profitability.

Additionally, failure to establish and capitalize on new advertising partnerships may limit our ability to diversify revenue streams. As competitors enhance their advertising platforms or digital alternatives become more attractive, advertisers may choose to allocate their budgets elsewhere, reducing our share of advertising expenditure. This could impact our ability to sustain competitive pricing for advertisers and diminish the financial contributions of this revenue stream.

Although we actively engage with advertisers, offer tailored marketing solutions, and invest in digital and in-theater advertising innovations to enhance brand visibility. While these initiatives help strengthen our position, there is no assurance that advertiser demand will remain consistent or that emerging advertising trends will not disrupt traditional cinema advertising models. Any prolonged decline in advertising partnerships could lead to revenue instability and hinder long-term business growth.

42. Inability to meet financial obligations and debt covenants under financing arrangements may lead to default risks and constrain operational flexibility affecting creditworthiness and liquidity.

Our business operations involve debt financing arrangements that are subject to specific financial and non-financial covenants. Any failure to meet these obligations—whether due to revenue shortfalls, increased expenses, or delayed cash flows—could result in breaches of these covenants. This may trigger penalties, accelerated repayment obligations, or restrictions on further borrowings, placing considerable strain on our financial position.

Non-compliance with debt terms could adversely affect our credit profile, limiting access to additional financing in the future and impacting our ability to pursue expansion or operational enhancements. Furthermore, any default could lead to legal proceedings or enforcement actions, which may disrupt operations and erode stakeholder confidence.

While we closely monitor our financial metrics and maintain regular communication with lenders to ensure timely compliance



with all covenants, there is no assurance that unforeseen circumstances will not impact our ability to meet these obligations. If we are unable to adhere to the terms of our financing agreements, it could significantly affect our financial stability, operational continuity, and long-term strategic objectives.

43. Proposed deployment of Net Proceeds and funding estimates are based solely on internal assumptions without external appraisal which may lead to suboptimal fund allocation and project execution risks.

The utilization of Net Proceeds from this issue is planned based on internal management estimates and has not been independently appraised or validated by any external agency. As such, these projections are subject to assumptions regarding timing, cost, and returns on investment, which may not materialize as expected. Inaccurate estimations may lead to misallocation of resources, cost overruns, or delays in the execution of planned projects.

In the absence of independent due diligence or third-party validation, there is a heightened risk of deviations between projected and actual outcomes. If the expected benefits from fund deployment are not realized, it could impact the financial return on investment and affect our ability to achieve intended growth targets.

Although our management has experience in strategic planning and resource allocation, and project feasibility is assessed internally, there is no assurance that the projected outcomes will be achieved. Any shortfall in results may affect business expansion, operational performance, and investor confidence.

44. Inability to manage growth effectively may result in operational inefficiencies, reduced service quality, and disruption in organizational control impacting long-term scalability and business performance.

As we expand our operations and footprint, the ability to manage growth efficiently becomes critical to sustaining long-term success. Rapid expansion—whether through new locations, service diversification, or increased workforce—can place substantial pressure on our existing systems, processes, and management bandwidth. If not managed effectively, this growth may lead to fragmented operations, inconsistent service delivery, and weakened internal oversight.

Challenges in scaling operations may include delays in recruitment and training, lack of process standardization, difficulty in maintaining service quality across locations, and overextension of key resources. These issues can disrupt customer experiences, strain vendor relationships, and reduce overall operational agility. Furthermore, failure to integrate new units seamlessly into the existing business structure may result in duplication of efforts, communication breakdowns, or misalignment in strategic priorities.

To navigate these challenges, we have implemented scalable systems, strengthened our leadership team, and adopted structured planning models to guide expansion. We also invest in continuous training, performance monitoring, and technology to ensure cohesion across operational units. However, despite these initiatives, there is no assurance that all aspects of growth will be managed without strain. Ineffective growth management may affect organizational efficiency, customer satisfaction, and our ability to achieve targeted outcomes, potentially impacting long-term profitability and competitive positioning.

45. Engagement of contract workers may expose us to compliance risks, labor disputes, and operational uncertainties impacting service delivery and reputation.

We engage a significant number of contract workers for various operational roles, including making of cinemas. While this model provides flexibility and cost efficiency, it also exposes us to potential risks related to labor law compliance, contractor reliability, and service consistency. Any non-compliance by third-party staffing agencies—such as underpayment of wages, non-adherence to statutory obligations, or unsafe working conditions—could result in legal liabilities and reputational harm.

Contractual relationships may also limit our control over workforce quality, training, and conduct, which can affect service standards and customer satisfaction. In addition, dependence on external vendors may create uncertainties in workforce availability, particularly during high-demand periods or in the event of industrial actions.

Although we vet third-party contractors carefully and implement regular compliance audits, there is no assurance that all obligations will be fulfilled consistently. Any disruption caused by contract labor issues may affect our service delivery, expose us to regulatory scrutiny, and impact operational efficiency.

46. Negative publicity of the Company or its franchisees may damage brand perception and reduce customer trust resulting in revenue loss and long-term reputational impact.

Our brand reputation is a critical asset that influences customer loyalty, investor confidence, and overall market perception. Any adverse media coverage, public criticism, or online backlash—whether directed at the Company or any of its franchisees—may negatively impact stakeholder trust. Incidents involving poor customer experiences, service disruptions, or regulatory violations

at franchise locations may be publicly associated with our brand, regardless of our direct involvement.

Such negative publicity can spread rapidly through digital platforms and social media, magnifying its impact. This can lead to reduced customer footfall, difficulty in attracting new franchisees, and a decline in goodwill among business partners. In the past, certain franchise-operated cinemas were reported for non-compliance with operational standards. To address this, we maintain brand integrity through detailed SOPs, conduct franchise audits, and issue brand usage guidelines. However, despite these efforts, there is no assurance that reputational risks can be fully controlled, especially when caused by third-party behavior. Any negative public perception may continue to affect long-term brand value and financial performance.

47. There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.

Certain entities forming part of the Group i.e. Connplex Home Theatre Pvt Ltd, Connplex Sky Theatre Pvt Ltd and Nilkanth Film Fiesta are engaged in similar line of business and may have business interests that overlap or are aligned with similar sectors, including entertainment and media. The existence of such common pursuits, while legally permitted, could give rise to actual or perceived conflicts of interest, especially where strategic decisions or resource allocations intersect.

Further, we have not entered into any non-compete agreement with the said entities. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities as a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entity in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Promoter Group Entity or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

48. There may have Seasonal variations in customer footfall which result in fluctuating revenue patterns and underutilization of resources affecting operational consistency.

The cinema business is inherently seasonal, with peak attendance typically concentrated around holidays, weekends, and major film releases. During off-peak periods, reduced footfall may lead to underutilization of cinema capacity, inventory wastage in concessions, and inefficient staff deployment. These fluctuations create challenges in forecasting revenue and managing operational costs efficiently.

Extended non-peak durations may lead to elevated cost-per-customer ratios and strain on overall cash flows. This imbalance between fixed operating expenses and variable revenue generation may impact profitability and reduce flexibility in planning future investments.

To address these challenges, we implement dynamic pricing strategies, introduce special screenings and events, and promote off-peak attendance through marketing campaigns. Despite these efforts, seasonality remains an uncontrollable external factor. Prolonged periods of low demand may continue to impact our resource optimization and revenue consistency across the year.

49. The Rise of OTT platforms and changing content consumption patterns may reduce cinema footfall and impact long-term business viability.

The emergence and growing popularity of Over-the-Top (OTT) content platforms have transformed consumer viewing habits, offering convenient and cost-effective alternatives to traditional cinema-going. The shift toward on-demand digital entertainment may lead to a reduction in cinema attendance, especially among audiences who prioritize flexibility and content variety.

This evolving preference could affect box office collections, lower demand for theatrical releases, and reduce concession revenue, all of which form the core of our business model. Furthermore, if studios increasingly choose direct-to-digital releases for select films, the availability of exclusive theatrical content could decline, limiting our ability to attract consistent footfall.

To stay relevant, we have invested in premium viewing experiences and curated content offerings that distinguish the in-theater experience. However, the influence of OTT platforms continues to grow, and there is no assurance that consumer behavior will revert to traditional formats. This shift may pose long-term challenges to growth, customer engagement, and content acquisition.

50. The Non-compliance with standard operating procedures by franchisees may disrupt uniform service quality and affect brand consistency across locations.

Franchisees are required to follow strict Standard Operating Procedures (SOPs) covering customer service, hygiene, ticketing, and brand presentation. However, there have been instances in the past where franchisees failed to comply with these standards. Such deviations may adversely impact customer experience and harm the brand's perception.



Inconsistent adherence to SOPs can result in reputational damage, legal scrutiny, or reduced customer retention at affected locations. Furthermore, the inability to enforce standards uniformly can dilute operational excellence and create inconsistencies in performance measurement.

We conduct regular audits, provide continuous training, and maintain compliance protocols to uphold SOPs across the franchise network. Despite these initiatives, complete adherence depends on individual franchisee commitment, and lapses may still occur. Any sustained non-compliance could compromise brand equity and effect our business operations of the Company.

51. *The Heavy reliance on a single franchisee for operation of multiple cinema locations may expose us to concentrated risk affecting operational control and business continuity*

In cases where a single franchisee is responsible for operating multiple cinema properties, the Company's dependence on that partner increases substantially. Should this franchisee face financial difficulties, operational lapses, or non-compliance, the disruption could affect a large portion of our network simultaneously, thereby amplifying its impact.

This dependency may also limit our flexibility in enforcing brand standards, rolling out network-wide changes, or addressing localized challenges swiftly. Additionally, the franchisee's internal policies or priorities may not always align with ours, increasing the risk of operational misalignment or reputational fallout.

We regularly evaluate franchisee performance, diversify partnerships, and retain contractual rights to intervene in case of continued non-compliance. However, there is no assurance that sudden disruptions from a key franchisee can be averted without affecting continuity. High dependency on a single entity may therefore increase business risk and operational exposure.

- **The word “robust”, “competitive”, “Luxury”, “high-Quality”, “advanced”, “visionary” and “state-of-the-art” mention in this chapter will be deleted.**

SECTION – V - GENERAL INFORMATION

➤ The “Monitoring agency” on Page 54 will be read as:

MONITORING AGENCY

Oue Company shall, in compliance with Regulation 262(1) of the SEBI ICDR Regulations, appoint monitoring agency for monitoring the utilization of the Net Proceeds from the Fresh Issue. The relevant details shall be included in the Red Herring Prospectus. For details in relation to the proposed utilization of the Net Proceeds from the fresh issue, see “Objects of the issue” on page 80 of this Draft Red Herring Prospectus. Further in compliance with regulation 262(6), since working capital is one of the objects of our issue and the amount raised for the said object exceeds five crore rupees, we shall submit a certificate of the statutory auditor to SME exchange(s) while filing the quarterly financial results, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

SECTION VI – CAPITAL STRUCTURE

➤ **The Point 8 “Shareholding Pattern” on Page 65 will be read as:**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Draft Red Herring Prospectus:

Table I – Summary of Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX	Class Equity Shares of	No of Voting Rights	Total as a % of (A+B+ C)	X	XI=VII+X	XII	XIII	XIV	
									Total								
(A)	Promoter & Promoter Group	8	1,33,50,000	-	-	1,33,50,000	95.36	1,33,50,000	1,33,50,000	95.36	-	95.36	-	-	-	1,33,50,000	
(B)	Public	7	6,50,000	-	-	6,50,000	4.64	6,50,000	6,50,000	4.64	-	4.64	-	-	-	6,50,000	
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	15	1,40,00,000	-	-	1,40,00,000	100.00	1,40,00,000	1,40,00,000	100.00	-	100.00	-	-	-	1,40,00,000	

*As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group

Sr . No. (I)	Category of shareholder (II)	Nos . Of share holders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	C l a s s e g : y	Total								
(1)	Indian																	
(a)	Individuals/Hindu undivided Family																	
1.	Rahul Kamleshbhai Dhyani	1	66,70,800	-	-	66,70,800	47.65	66,70,800	-	67,77,800	47.65	-	47.65	-	-	-	-	66,70,800
2.	Anish Tulshibhai Patel	1	66,70,800	-	-	66,70,800	47.65	66,70,800	-	67,77,800	47.65	-	47.65	-	-	-	-	66,70,800
3.	Indumati Tulshibhai Patel	1	1,400	-	-	1,400	0.01	1,400	-	1,400	0.01	-	0.01	-	-	-	-	1,400
4.	Tulshibhai Kanjibhai Patel	1	1,400	-	-	1,400	0.01	1,400	-	1,400	0.01	-	0.01	-	-	-	-	1,400
5.	Kamlesh Jayntilal	1	1,400	-	-	1,400	0.01	1,400	-	1,400	0.01	-	0.01	-	-	-	-	1,400

	Dhyani																	
6.	Archana Rahulbhai Dhyani	1	1,400	-	-	1,400	0.01	1,400	-	1,400	0.01	-	0.01	-	-	-	-	1,400
7.	Poonam Anish Patel	1	1400	-	-	1400	0.01	1400	-	1400	0.01	-	0.01	-	-	-	-	1400
8.	Megha Keyur Joshi	1	1400	-	-	1400	0.01	1400	-	1400	0.01	-	0.01	-	-	-	-	1400
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other – Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	8	1,33,50,000	-	-	1,33,50,000	95.36	1,33,50,000	-	1,35,64,000	95.36	-	95.36	-	-	-	-	1,33,50,000
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)	8	1,33,50,000	-	-	1,33,50,000	95.36	1,33,50,000	-	1,35,64,000	95.36	-	95.36	-	-	-	-	1,33,50,000
	Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A																	

Table III - Statement showing shareholding pattern of the Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying	Shareholding, as a % assuming full conversion of convertible securities	Number of Locked in shares (XII) *		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights (XIV)	Class eg:y	Total as a % of			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(B1)	Institutions (Domestic)																
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds																
	Nexus Equity Growth fund Nexus Equity Growth Fund – SCH-1	1	1,40,000	-	-	1,40,000	1.00	1,40,000	-	1,40,000	1.00	-	-	-	-	-	1,40,000
(d)	Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(g)	Asset reconstruction companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	1	1,40,000	-	-	1,40,000	1.00	1,40,000	-	1,40,000	1.00	-	-	-	-	-	-	1,40,000
(B2)	Institutions (Foreign)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors Category I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors Category II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B3)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B4)	Non-institutions																	

)																		
(a)	Associate Companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Relatives of promoter (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Investor Education and Protection Fund (IEPF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Resident Individuals holding nominal share capital upto ₹ 2 Lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Resident Individuals holding share capital in excess of ₹ 2 Lakhs	3	3,20,000	-	-	3,20,000	2.28	3,20,000	-	3,20,000	2.28	-	-	-	-	-	-	3,20,000
(i)	Non-Resident Indians (NRIs)	1	70,000	-	-	70,000	0.50	70,000	-	70,000	0.50	-	-	-	-	-	-	70,000
(j)	Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Foreign Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(l)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	KRMG Contractors Private Limited	1	50,000	-	-	50,000	0.36	50,000	-	50,000	0.36	-	-	-	-	-	-	50,000
	Pihans Trading Private Limited	1	70,000	-	-	70,000	0.50	70,000	-	70,000	0.50	-	-	-	-	-	-	70,000
(m)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(4)	6	5,10,000	-	-	5,10,000	3.64	5,10,000	-	5,10,000	3.64	-	-	-	-	-	-	5,10,000

	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) + (B)(4)	7	6,50,000	-	-	6,50,000	4.64	6,50,000	-	6,50,000	4.64	-	-	-	-	-	-	6,50,000
	Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A																	
	Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.																	

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Sr . N o. (I)	Category of shareholder (II)	Nos. Of share holder s (III)	No. of fully paid up equit y shar es held (IV)	No. Of Partl y paid-up equit y shar es held (V)	No. Of shares underlyin g Depositor y Receipts (VI)	Tota l nos. shar es held (VII) = (IV) +(V) + (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlyi ng Outstand ing convertib le securities (Includin g Warrants) (X)	Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbere d (XIII)		Number of equity shares held in demateri alized form
								No of Voting (XIV) Rights			Total as a % of (A+B +C)			N o. (a)	As a % of total shar es held (b)	N o. (a)	As a % of total share s held (b)	
								Clas s eg: X	Clas s eg:y	Tot al								
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter- Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table V - Statement showing details of significant beneficial owners

Sr No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation/acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of Shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
N/A									

- **Point 9 “The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date are” will be read as:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Rahul Kamleshbhai Dhyani	66,70,800	47.65
2.	Anish Tulshibhai Patel	66,70,800	47.65
3.	Nexus Equity Growth Fund - Nexus Equity Growth Fund Sch-1	1,40,000	1.00
	Total	1,34,81,600	96.30

- **Point 13 will be read as:**

Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing the Draft Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.

S. No	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Rahul Kamleshbhai Dhyani	November 21, 2024	Promoter and Joint Managing Director	67,45,950	--	Bonus Issue
2.	Anish Tulshibhai Patel		Promoter and Managing Director	67,45,950	--	
3.	Indumati Tulshibhai Patel		Promoter Group	1,350	--	
4.	Tulshibhai Kanjibhai Patel		Promoter Group	1,350	--	
5.	Kamlesh Jayntilal Dhyani		Promoter Group	1,350	--	
6.	Archana Rahulbhai Dhyani		Promoter Group	1,350	--	
7.	Poonam Anish Patel		Promoter Group	1,350	--	
8.	Megha Keyur Joshi		Promoter Group	1,350	--	
9.	Rahul Kamleshbhai Dhyani	March 05, 2022	Promoter and Joint Managing Director	2,44,853	--	Right Issue
10.	Anish Tulshibhai Patel		Promoter and Managing Director	2,44,853	--	
11.	Indumati Tulshibhai Patel		Promoter Group	49	--	
12.	Tulshibhai Kanjibhai Patel		Promoter Group	49	--	
13.	Kamlesh Jayntilal Dhyani		Promoter Group	49	--	
14.	Archana Rahulbhai Dhyani		Promoter Group	49	--	
15.	Poonam Anish Patel		Promoter Group	49	--	
16.	Megha Keyur Joshi		Promoter Group	49	--	
17.	Rahul Kamleshbhai Dhyani	May 23, 2025	Promoter and Joint Managing Director	-	1,05,000	Transferred
18.		May 27, 2025		-	1,13,000	
19.	Anish Tulshibhai Patel	May 23, 2025	Promoter and Managing Director	-	1,05,000	Transferred
20.		May 27, 2025		-	1,13,000	
21.	Rahul Kamleshbhai Dhyani	June 07, 2025	Promoter and Joint Managing Director	-	1,07,000	Transferred
22.	Anish Tulshibhai Patel	June 07, 2025	Promoter and Managing Director	-	1,07,000	Transferred

➤ **Point 14 will be read as:**

None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Rahul Kamleshbhai Dhyani	Promoter and Joint Managing Director	66,70,800
Anish Tulshibhai Patel	Promoter and Managing Director	66,70,800

➤ **Point 15 will be read as:**

Capital Build up in respect of shareholding of our Promoters:

As on date of the Draft Red Herring Prospectus, our promoters Rahul Kamleshbhai Dhyani, Anish Tulshibhai Patel holds 1,33,41,600 Equity Shares constituting 95.30% of the issued, subscribed and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %
Anish Tulshibhai Patel						
January 12, 2018	Acquired through Transfer ⁽¹⁾	4,997	10.00	10.00	0.04	[●]
March 05, 2022	Right Issue	2,44,853	10.00	10.00	1.75	[●]
November 21, 2024	Bonus Issue	67,45,950	10.00	--	48.19	[●]
May 23, 2025	Transfer of Shares ⁽²⁾	(1,05,000)	10.00	142	(0.75)	[●]
May 27, 2025	Transfer of Shares ⁽²⁾	(1,13,000)	10.00	142	(0.81)	[●]
June 07, 2025	Transfer of Shares ⁽²⁾	(1,07,000)	10.00	142	(0.76)	[●]
Total A		66,70,800			47.65	[●]
Rahul Kamleshbhai Dhyani						
January 12, 2018	Acquired through Transfer ⁽³⁾	4,997	10.00	10.00	0.04	[●]
March 05, 2022	Right Issue	2,44,853	10.00	10.00	1.75	[●]
November 21, 2024	Bonus Issue	67,45,950	10.00	--	48.19	[●]
May 23, 2025	Transfer of Shares ⁽⁴⁾	(1,05,000)	10.00	142	(0.75)	[●]
May 27, 2025	Transfer of Shares ⁽⁴⁾	(1,13,000)	10.00	142	(0.81)	[●]
June 07, 2025	Transfer of Shares ⁽⁴⁾	(1,07,000)	10.00	142	(0.76)	[●]
Total B		66,70,800			47.65	[●]
Total (A+B)		1,33,41,600			95.30	

⁽¹⁾ Details of Shares acquired by Anish Tulshibhai Patel:

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1	January 12, 2018	Kishan Lal	4,900	Anish Tulshibhai Patel
2		Shubham Shukla	40	
3		Shivank Parashar	40	
4		Sushil Pant	17	
Total			4,997	

⁽²⁾ Details of Shares transfer by Anish Tulshibhai Patel:

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1	May 23, 2025	Anish Tulshibhai Patel	35000	Bhaskar Srinivasan
2			70000	Nexus Equity Growth Fund - Nexus Equity Growth Fund Sch-1
3	May 27, 2025		25000	KRMG Contractors Private Limited

4			53000	Farukbhai Gulambhai Patel
5			35000	Pihans Trading Private Limited
6.	June 07, 2025		1,07,000	Mr. Deven M Shah
Total			3,25,000	

(3) Details of Share acquired by Rahul Kamleshbhai Dhyani:

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	January 12, 2018	Shakuntala	4,900	Rahul Kamleshbhai Dhyani
2.		Nitin Gupta	40	
3.		Rohit Dandriyal	40	
4.		Sushil Pant	17	
Total			4,997	

(4) Details of Shares transfer by Rahul Kamleshbhai Dhyani:

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee	
1	May 23, 2025	Rahul Kamleshbhai Dhyani	35000	Bhaskar Srinivasan	
2			70000	Nexus Equity Growth Fund - Nexus Equity Growth Fund Sch-1	
3	May 27, 2025		25000	KRMG Contractors Private Limited	
4			53000	Farukbhai Gulambhai Patel	
5			35000	Pihans Trading Private Limited	
6.	June 07, 2025			1,07,000	Mr. Dhiren Mahendrakumar Shah
Total			3,25,000		

➤ **Point 16 will be read as:**

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Anish Tulshibhai Patel	66,70,800	0.00
Rahul Kamleshbhai Dhyani	66,70,800	0.00

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

➤ **Point 17 will be read as:**

Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

Date of Transaction	Number of Equity Shares Allotted/ Acquired/(Sold)	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transfer ee	Category
November 21, 2024	67,45,950	10.00	--	Bonus Issue	Other than Cash	Rahul Kamleshbhai Dhyani	Promoter and Joint Managing Director
	67,45,950	10.00	--			Anish Tulshibhai Patel	Promoter and Managing Director
	1,350	10.00	--			Indumati Tulshibhai Patel	Promoter Group
	1,350	10.00	--			Tulshibhai Kanjibhai Patel	Promoter Group
	1,350	10.00	--			Kamlesh Jayntilal Dhyani	Promoter Group
	1,350	10.00	--			Archana Rahulbhai Dhyani	Promoter Group

	1,350	10.00	--			Poonam Anish Patel	Promoter Group
	1,350	10.00	--			Megha Keyur Joshi	Promoter Group
May 23, 2025	(1,05,000)	10.00	142.00	Transfer of Shares	Cash	Anish Tulshibhai Patel	Promoter and Managing Director
May 27, 2025	(1,13,000)	10.00	142.00			Anish Tulshibhai Patel	Promoter and Managing Director
May 23, 2025	(1,05,000)	10.00	142.00			Rahul Kamleshbhai Dhyani	Promoter and Joint Managing Director
May 27, 2025	(1,13,000)	10.00	142.00			Rahul Kamleshbhai Dhyani	Promoter and Joint Managing Director
June 07, 2025	(1,07,000)	10.00	142.00			Anish Tulshibhai Patel	Promoter and Managing Director
June 07, 2025	(1,07,000)	10.00	142.00			Rahul Kamleshbhai Dhyani	Promoter and Joint Managing Director

*The maximum and minimum price at which the aforesaid transaction was made is nil and Rs. 142.00/- per Equity Share.

➤ **Point 18 will be read as:**

Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Red Herring Prospectus is as below: -

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
A.	PROMOTER				
1.	Anish Tulshibhai Patel	66,70,800	47.65	66,70,800	[●]
2.	Rahul Kamleshbhai Dhyani	66,70,800	47.65	66,70,800	[●]
	TOTAL (A)	1,33,41,600	95.30	1,33,41,600	[●]
B	PROMOTER GROUP				
1.	Indumati Tulshibhai Patel	1,400	0.01	1,400	[●]
2.	Tulshibhai Kanjibhai Patel	1,400	0.01	1,400	[●]
3.	Kamlesh Jayntilal Dhyani	1,400	0.01	1,400	[●]
4.	Archana Rahulbhai Dhyani	1,400	0.01	1,400	[●]
5.	Poonam Anish Patel	1,400	0.01	1,400	[●]
6.	Megha Keyur Joshi	1,400	0.01	1,400	[●]
	TOTAL (B)	8,400	0.06	8,400	[●]
	GRAND TOTAL (A+B)	1,33,50,000	95.36	1,33,50,000	[●]

➤ **On Page 79 of DRHP, point no 47 will be read as:**

Pursuant to regulation 274, we shall ensure that all transactions in securities by the promoter and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions.

SECTION VII – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

- **Under “Details of the Objects - Funding capital expenditure requirement for purchase of corporate office”, following paragraph will be inserted**

Currently, the company operates from a leased registered office, which may soon become inadequate given its rapid expansion over the next one to two years. Rather than continuing with a rental or lease arrangement, the company has strategically decided to invest in its own office space to accommodate its growing workforce and ensure long-term operational stability.

Since the company’s head office and its promoters are based in Ahmedabad, acquiring office space in the same city will provide better oversight and management of staff handling operations across multiple states. A centrally located, owned office will enhance efficiency, improve coordination, and strengthen the company’s operational control.

Beyond addressing our immediate space requirements, purchasing an office space will offer several added advantages, the rationale for the Proposed Usage of the Corporate Office Space (7,175 sq. ft.) are detailed below:

1. Experiment Centre for Future Cinema Ideas: The office can become an Innovation Hub for testing new technologies like VR, immersive sound, 4DX, digital walls, LED Screens and any other such technology. This allows the company to experiment and fine-tune ideas before they reach the public.
2. Training Space for Cinema Theatre Employees: A dedicated space for training in customer service, technical skills, and emergency response, with virtual options for staff in other locations, ensuring everyone is prepared.
3. Food Testing Lab for Cinema F&B: A space to test new food ideas, like healthy snacks or themed packaging, to create a unique experience for cinema-goers and gather feedback for future improvements.
4. Display Room & Storage: A dedicated area to display cinema materials and securely store important files, keeping everything organized and accessible.
5. Conference Room: A versatile space for meetings with franchisees—both new and existing—and teams from marketing, procurement, accounts, finance, and investor relations.
6. Data Center Room: A spacious room to store and manage all technical data for theaters, equipped with the right software and hardware to ensure easy access and smooth operation.

Cost-Benefit Analysis:

1. Rental vs. Ownership Considerations: When deciding between renting and owning, several factors come into play, including rising costs, relocation expenses, time required for moving, operational disruptions, and the need to update business addresses with various authorities, customers, vendors, and distributors. Relocating often comes with additional complications and administrative overhead that can be avoided by investing in a permanent office.
2. Estimated Cost of New Premises: The total estimated cost for acquiring the office premises, covering 7,175 sq. ft. of carpet area, is Rs. 14.79 Crores. In comparison, the annual rental cost for such a space would currently amount to approximately Rs. 60.00 Lakhs.
3. Long-Term Financial Benefits: While rental payments are a recurring expense, purchasing office space offers the advantage of long-term capital appreciation. Real estate prices in Ahmedabad have been consistently rising over the past two to three years, making it a strong investment opportunity that will likely increase in value over time.
4. Additional Rental Costs for External Events: Holding external events, meetings, or marketing activities in rented venues would incur additional rental costs. By investing in our own office space, the company can eliminate these recurring expenses while creating a dedicated venue for company’s office and events.
5. Enhanced Goodwill and Brand Image: Owning a permanent office space will also contribute positively to the company’s goodwill and brand image. A permanent and established presence enhances the company’s reputation, which can help attract new business and strengthen relationships with clients and stakeholders.
6. Employee Productivity and Retention: A permanent office space will improve internal communication, comfort, and accessibility for employees, boosting their confidence and job satisfaction. This, in turn, will help with employee retention and support the company’s long-term objectives. Additionally, the smooth functioning of all departments—such as cinema development, operations, finance, and marketing—will be better facilitated in a well-organized, dedicated space.

The current leasehold office is inadequate to meet the company’s long-term needs and anticipated business growth. The proposed space of 7,175 sq. ft. will address these requirements, supporting both operational expansion and the strategic objectives of the company.

➤ **Under “Details of the Objects – Funding capital expenditure requirement for purchase of LED Screens and Projectors”, following paragraph will be inserted**

For the financial year 2025-26, the company anticipates the operational launch of 73 screens. The LED screens and projectors intended to be procured using the proceeds from the IPO will be installed at these locations. The company has already secured Letters of Intent (LOIs) for all identified sites.

Currently, the rental or hire-purchase costs for each projector and LED screen stand at Rs. 17,500 and Rs. 92,000 per month, respectively. By directly purchasing this equipment using company funds, these recurring expenses can be eliminated, leading to substantial cost savings. Additionally, with the continuous rise in LED screen and projector prices, procuring these items in bulk for ongoing projects will further optimize costs and enhance financial efficiency.

The company anticipates the following benefits from the installation of its own LED screens and projectors:

Higher Advertising Revenue

- Owning the LED screens and projectors allows the company to earn 70% of the revenue from on-screen advertisements, compared to just 30% when operating under a rental model.
- Enhanced technology attracts higher payment from advertisers, resulting in increased earnings

Additional Revenue from Virtual Print Fee (VPF)

- By owning the projectors, the company earns a Virtual Print Fee (VPF) each time a movie is screened.
- This VPF revenue is sufficient to recover the cost of the projector in approximately three years, after which all VPF earnings contribute directly to profits.

Cost Savings & Better-Quality Control

- Renting projectors and screens incurs ongoing costs, which increase over time. Purchasing eliminates these recurring expenses.
- Owning the technology ensures consistent, high-quality viewing experiences without relying on third-party vendors.

It is important to note that LED screens and projectors are essential components for every cinema built by the company. The company has three options for acquiring these assets: (1) Ownership, (2) Hire Purchase, and (3) Rental. Historically, the company has relied on either rental or hire purchase arrangements for these assets. After gaining hands-on experience with both the rental and hire purchase models, and thoroughly evaluating the outcomes, the company has decided to shift to owning these assets. This decision is primarily driven by the evolving technological demands for LED screens, which are not readily available on rental or hire purchase terms, making ownership the most viable and future-proof option.

Cost Benefit Analysis: Renting has the lowest upfront cost (Rs. 2,10,000/- per year) but no ownership or no additional revenue benefits, hire purchase requires Rs. 9,00,000/- upfront plus Rs. 92,000/- per month for 24 months (total Rs. 31,08,000/-) with ownership after 2 years, while outright ownership costs Rs. 27,50,000/- one-time, ensuring the lowest amortized cost (Rs. 1,83,333/- per year) and maximum revenue benefits from day one. Hence, purchasing is the most feasible option for the long term, as it minimizes recurring costs, increases asset value, and maximizes revenue streams.

The option of renting and Hire purchase will affect regular monthly cash flow while the asset base of the company will also increase due to one-time cash flow in case of purchase of own LED screen / projectors.

Operational Benefits of Owning LED Screens and Projectors:

- Cost Optimization:** With the continuous rise in prices of LED screens and projectors, purchasing these items in bulk for ongoing projects will help optimize costs and improve financial efficiency, providing long-term savings.
- Increased Earnings through Enhanced Technology:** Upgrading to advanced technology allows the company to attract higher payments from advertisers, leading to increased earnings due to better visibility and engagement.
- Revenue Recovery through VPF:** The Virtual Print Fee (VPF) revenue is sufficient to recover the cost of the projectors in approximately three years. After that, all VPF earnings directly contribute to the company's profits.
- Elimination of Recurring Rental Costs:** Renting projectors and screens involves ongoing costs that rise over time. By purchasing the equipment, it can eliminate these recurring expenses and avoid inflationary rental increases.
- Flexibility and Resource Optimization:** Owning the projectors and screens gives the company the flexibility to move them between different cinema locations as needed, optimizing the use of the equipment and ensuring that resources are allocated efficiently.
- Quick Replacement and Maintenance:** If any projectors or screens malfunction, owning the equipment ensures that replacements or repairs can be made quickly without waiting for external rentals or service providers. This minimizes disruptions, ensuring

movie showings proceed on schedule and customer satisfaction is maintained.

g. Avoiding Technical Issues with Rentals: Rental options often provide older or used equipment, which may be more prone to technical issues that can cause show cancellations. Ownership allows the company to ensure the reliability and quality of its equipment.

➤ Under “Details of the Objects – To meet Working Capital Requirement”, the following table will be read as:

The details of Estimation of Working Capital requirement will be read as follows:

(₹ In Lakhs)

S. No.	Particulars	Actual	Actual	Actual	Actual	Estimate	Projected	Projected
		(Restated)	(Restated)	(Restated)	(Restated)			
		31-Mar-22	31-Mar-23	31-Mar-24	30-Sep-24	31-Mar-25	31-Mar-26	31-Mar-27
I	Current Assets							
	Trade receivables	87.19	124.28	378.05	667.04	715.06	2348.25	3259.77
	Inventories	12.26	202.72	438.86	283.69	861.20	2405.79	3326.07
	Short term loan & Advances	126.42	143.43	58.63	223.11	200.00	400.00	600.00
	Current Investments	270.00	500.00	534.42	673.83	500.00	500.00	500.00
	Other Current Assets	241.65	168.30	244.20	313.05	856.73	1767.58	2402.24
	Total(A)	737.52	1138.73	1654.16	2160.72	3132.99	7421.62	10088.08
II	Current Liabilities							
	Trade payables	145.24	150.70	539.18	555.18	71.77	120.29	166.30
	Short Term Provisions	0.00	24.20	143.48	324.47	646.73	1067.58	1482.24
	Short Term Borrowings	4.12	5.01	5.00	6.58	27.92	27.92	13.95
	Other Current Liabilities	53.92	97.08	155.10	338.58	210.00	247.00	285.00
	Total (B)	203.28	276.99	842.76	1224.81	956.41	1462.79	1947.49
III	Total Working Capital Gap (A-B)	534.24	861.74	811.4	935.91	2176.58	5958.83	8140.59
IV	Funding Pattern							
	Internal Cash Accruals	534.24	861.74	811.4	935.91	2176.58	3595.83	6740.59
	IPO Proceeds - Used For Working Capital						2363.00	1400.00

➤ Under “Details of the Objects – To meet Working Capital Requirement”, following points will be inserted

Justification for the estimated significant increase in the Inventories of the Company in FY26 and FY27.

- Currently, the company is facing a shortage of working capital due to the absence of bulk procurement for multiple cinemas. As materials are purchased in smaller quantities, costs are higher, and project completion is delayed. Consequently, the launch of cinemas is postponed, leading to delays in generating revenue from ticket sales and food & beverage services.
- The company is intent to increase the revenues by expanding its cinema operations and plans to add 60 new screens in 2025-26 and 75 screens in 2026-27, which will significantly contribute to gross revenue.
- To speedily manage the construction of cinemas across various locations in India for achieving target of opening 60 new screens in 2025-26 and 75 screens in 2026-27, the company required to maintain a large inventory of raw materials, semi-finished goods, and finished goods at a central warehouse. This will streamline operations by ensuring that materials are readily available, avoiding delays in the construction process and saving of cost on bulk buying.
- Projected total inventories for 2025-26 and 2026-27 are Rs. 2405.79 lakhs and Rs. 3326.07 lakhs, respectively of raw materials, semi-finished goods, and finished goods. The materials required for cinema construction include items like chairs, carpets, sound systems, signage, and F&B materials, all of which have longer ordering timelines. To mitigate potential delays, the company has opted for a centralized procurement system, with advanced ordering and storage to ensure timely availability across all sites.
- As of September 2024, the company had completed 55 screens, with 11 more added by March 2025, though 14 screens await licenses and 16 are still under development. The overall plan focuses on efficient inventory management and timely cinema construction to meet projected sales and deadlines.
- Timely procurement of inventories in lot by making investment through working capital funds will save cost and time. The revenue from making of cinemas will also accrue fast. Generating the revenue of tickets and F & B will also accordingly accrue early.

Justification for the estimated significant increase in the Trade Receivables of the Company in FY26 and FY27.

The company has decided to adopt a new business model where, instead of waiting for customer payments, it will proactively procure materials and continue cinema construction by offering credit for work done at each site. Since the Letters of Intent (LOIs) are signed and customers or franchisees have already made partial investments, the risk of default is minimized as their future earnings depend on the timely completion of cinemas. The company is considering two options for managing receivables:

Option I: Grant credit to increase the number of screens from 55 to 145 by March 31, 2026. The company plans to offer a credit period of 60 to 90 days (estimated at 61 days), in line with market trends. This will be essential to attract customers from tier 2, 3, and 4 cities. Since cinema construction takes a long time, credit is necessary to ensure timely completion. Many customers also rely on bank financing, which requires a payment delay of 60 to 90 days.

Option II: Wait for customers to provide funds at each stage of the cinema's construction, which would result in delays in starting projects.

In conclusion, the company is leaning towards providing credit to customers to accelerate cinema development and ensure timely completion which will ultimately grow the business.

Justification for the estimated significant increase in the Trade Payable of the Company in FY26 and FY27.

Until now, the company has been receiving credit from raw material suppliers, resulting in an average creditor period of 62 days for the year 2023-24. Moving forward, the company plans to reduce the creditor period to 8 days for the years 2024-25, 2025-26, and 2026-27. This adjustment will allow the company to purchase goods with less credit, enabling it to take advantage of discounts and procure materials in a timely manner, ensuring the completion of cinemas within a reasonable timeframe.

Creditors are one of the key sources of working capital for the company, although there are several challenges associated with this approach, as experienced over the past three to four years. When customers or franchisees delay payments, the company often relies on supplier credit. However, obtaining credit from suppliers typically leads to an increase in the cost of purchases. While purchasing in bulk with discounts can enhance profitability, it is generally difficult to secure extended credit periods from suppliers. Furthermore, new customers in the market usually do not receive credit or discounts from suppliers. The company sources materials from a wide range of vendors for its cinema construction projects, including well-known suppliers of air-conditioning and sound systems, many of whom do not offer credit or require partial advance payments and full payment upon delivery. Additionally, items such as chairs, carpets, acoustic ceilings, curtains, and projection screen fabrics often require full advance payments, as these are custom-made with Connplex branding and are not readily available. The customization involves significant labor, for which supplier credit is typically not extended.

Given the company's expansion plans to add 60 new screens in FY 2025-26 and 75 in FY 2026-27, relying on extended supplier credit would significantly increase costs. To address this, the company intends to utilize IPO proceeds to strengthen its working capital, enabling faster construction of cinemas. By purchasing materials in bulk at discounted rates and storing them in hired warehouses, the company aims to reduce costs effectively. As a result, it anticipates maintaining an average credit period of around eight days in the coming years.

The reasons for such change in the % of NWC to Revenue for past years and projections are as under:

Please find below the year wise Net working Capital to turnover ratio:

Year	2021-22	2022-23	2023-24
Revenue (in Lakhs)	682.26	2536.91	6029.74
Net Working Capital (in Lakhs)	629.62	1246.85	1160.11
NWC % to Revenue	92%	49%	19%

Justification of working capital requirement for previous years:

FY 2021-22: In the financial year 2021-22, the cinema industry faced a significant revenue downturn due to the post-COVID economic slowdown, which impacted audience turnout and hindered overall business recovery. Post Covid the cinemas business re-started from November, 2021. Consequently, the company generated a total revenue of Rs. 682.26 lakhs from 18 screens, with most screens becoming operational only towards the end of the financial year. Meanwhile, the working capital requirement rose to Rs. 629.62 lakhs—approximately 92% of the total revenue. This steep working capital demand was largely attributed to fixed operational costs, such as rent, maintenance, and staffing, which remained consistent despite the revenue decline.

For 2022-23: - In the financial year 2022-23, the company experienced substantial revenue growth, reaching Rs. 2,536.91 lakhs across 24 screens, marking a strong recovery from the previous year's slowdown as screens became fully operational toward the end of the last fiscal year. This revenue surge strengthened the company's financial position, reducing the Net Working Capital (NWC) to revenue ratio to 49% as of March 31, 2023. The decline in NWC percentage was primarily driven by the post-COVID rebound in turnover, while fixed expenses remained stable, resulting in improved cash flow management and greater operational stability.

For 2023-24: - The decline in the Net Working Capital (NWC) percentage is primarily driven by a sharp increase in revenue. The company's earnings surged from Rs. 2,536.91 lakhs in FY 2022-23 to Rs. 6,029.74 lakhs in FY 2023-24, more than doubling within a year. Additionally, the number of screens also doubled, expanding from 24 in FY 2022-23 to 49 in FY 2023-24. With this substantial revenue growth, the NWC-to-revenue ratio fell to 19% in FY 2023-24, reflecting the company's improved cash flow management and higher income generation. As the cinema business expands, factors such as enhanced operational efficiency, better cash flow management, and favourable credit terms with suppliers contribute to reduced dependence on working capital.

Justification for increase in Working for future years:

FY 2024-25: - Revenue is projected to rise significantly reflecting the company's continued growth and expansion. The primary reason for this increase in NWC is the company's strategic decision to stock higher levels of inventory to meet growing operational demands and ensure fast cinema making process. Additionally, the company plans to make early payments to creditors to avail of supplier discounts, which will contribute to cost savings and improve overall profitability. While this approach leads to a temporary rise in NWC, it is expected to strengthen long-term financial efficiency by reducing procurement costs and optimizing cash flow management.

FY 2025-26: - During this period, the company plans to expand significantly by adding 60 new screens, necessitating a corresponding increase in inventory to support operations. Additionally, to facilitate smoother relationships with franchisees, the company intends to offer extended payment terms to debtors, enhancing business convenience and fostering stronger collaborations. To support this expansion, the company has already signed a Letter of Intent (LOI) for these new screens. This strategic shift, coupled with the growing number of operational screens, is expected to drive substantial revenue and profit growth, reinforcing the company's market position and long-term financial stability.

FY 2026-27: - This year the company intends to add 75 new screens during the year, which will require a significant increase in inventory stocking to ensure smooth operations. Expanding the number of screens will not only boost revenue but also necessitate additional working capital to support the procurement of equipment, concessions, and other operational essentials. Additionally, the company plans to extend debtor payment terms, allowing franchisees more flexibility in managing their finances. While this move may temporarily increase the NWC requirement, it is aimed at strengthening long-term relationships, attracting more franchisees, and ensuring a steady stream of revenue.

➤ **On Page 86 of DRHP, under “Public Issue Expenses”, following note will be inserted below the expenses table:**

The above fees of BRLM includes in any form/name /purpose.

➤ **On Page 87 of DRHP, the “Monitoring Utilization of Funds” will be read as:**

Monitoring Utilization of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company has appointed [●] as the monitoring agency (“Monitoring Agency”) to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds.

Further in compliance with regulation 262(6), since working capital is one of the objects of our issue and the amount raised for the said object exceeds five crore rupees, we shall submit a certificate of the statutory auditor to SME exchange(s) while filing the half yearly/quarterly financial results, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a half yearly basis, disclose to the Audit

Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statutory auditor of our Company will also provide report/certificate on the utilization of the Net Proceeds to the monitoring agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors' report, after placing the same before the Audit Committee.

➤ **On Page 88 of DRHP, under “Variation in Objects” following paragraph will be inserted:**

Pursuant to Regulation 281A of SEBI ICDR Regulations (as amended), the Promoters or shareholders in control shall provide an exit offer to dissenting shareholders as provided in Companies Act, 2013, in case of change in objects or variation in the terms of contract related to objects referred in this Draft Red Herring Prospectus as per the conditions and in manner provided in Schedule XX of SEBI ICDR Regulations, 2018.

SECTION VII – ABOUT THE COMPANY

BUSINESS OVERVIEW

- Under “Our Strengths- *Strong Franchisee Support System & Quick Franchise Setup Process*”, following will be inserted:

The number of cinemas under franchise models are detailed as follows:

Franchisee Model	Number of Cinemas (as on)			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
FOFO	52	49	24	18
FOCO	03	0	0	0
Total	55	49	24	18

- Under “Our Strengths- *Strategic Location in Emerging Markets*”, following will be inserted:

The bifurcation of the number of cinemas/screens operated in tier 2, 3 and 4 cities in the past three fiscal years and stub period is as follows:

Particulars	For the period/year ended			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Tier 1	0	0	0	0
Tier2 (Ahmedabad, Patna, Ahmednagar, Kodad, Nawada, Rajkot, Gandhinagar, Bhagalpur, Umerkote)	44	41	18	13
Tier 3 (Siddhpur, Dhrangadhra, Baddi, Balotra, Mehsana, Siwan)	9	6	4	5
Tier 4 (Katihar, Bihar)	2	2	2	0
Total	55	49	24	18

Rationale for Developing Cinemas in Tier 4 Cities:

It has been a strategic plan to develop cinemas in Tier 4 cities, as these areas typically have smaller populations and limited infrastructure. Residents of these cities often need to travel to nearby larger cities to watch movies, which increases their entertainment expenses. The company has consistently focused on identifying and developing cinemas in such emerging cities. While these locations may currently fall under Tier 4, they have the potential to evolve into Tier 3 cities in the future.

- Under “Our Strategies- *Focus on Improving Revenue from Ancillary Revenue Streams*”, following will be inserted:

Income from Setting Up Cinema: This revenue comes from our franchise business model and includes:

Franchise Fees: A one-time fee that franchise partners pay when they join the Connplex Cinemas network. It also includes advisory fees and management fees.

Setup Costs: This is a one-time charge paid by franchisees to cover the costs of setting up the cinema, including design, Equipments, installation, and interior-exterior setup to meet our brand standards.

Branch Transfer: The "Branch Transfer" revenue relates to internal transfers within the company when goods are moved from our head office to various Connplex Branches or cinema locations and therefore it is excluded while consolidating the financial statements. This includes:

Concessions & Merchandise: Popcorn, beverages, and other F&B items supplied to our theatres.

Cinema Equipment & Supplies: Items like projectors, screens, and seating materials transferred to ensure smooth operations across all locations.

Year wise bifurcation of revenue from setting up of cinemas and branch transfer in the respective year is as under:

(Rs. in Lakhs)

Particulars	September 30, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Income from setting up of cinemas	2,228.89	2,719.05	725.14	360.05
Branch transfer	(10.73)	(84.86)	-	-

- Under “Our Strategies- Focus on Improving Revenue from Ancillary Revenue Streams”, the current revenue streams will be amended as follows:

The bifurcation of revenue earned from B2B and B2C in absolute as well as percentage terms is as follows:

Products/Services	Upto 30.9.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(In Lakhs)	(In %)	(In Lakhs)	(In %)	(In Lakhs)	(In %)	(In Lakhs)	(In %)
Sales Ticket (B2C)	1391.90	34.21	2631.22	43.64	1306.73	51.51	248.17	36.37
Sales Food & Beverages (B2B)	82.50	2.03	230.87	3.83	12.28	0.48	0	0
Sales Food & Beverages (B2C)	1.50	0.04	148.13	2.46	390.81	15.40	63.25	9.27
Screening charge (B2B)	5.73	0.14	27.58	0.46	23.04	0.91	5.35	0.79
Screening charge (B2C)	0	0	0.20	0.00	0.85	0.03	0.43	0.06
Income from setting up cinema (B2B)	2113.83	51.95	2702.10	44.81	725.14	28.58	360.05	52.77
Income from setting up cinema (B2C)	115.06	2.83	16.95	0.28	0	0	0	0
3D Glasses Sale (B2C)	20.95	0.51	16.81	0.28	6.42	0.25	0	0
Space Rental (B2B)	1.00	0.02	10.29	0.17	9.11	0.35	0	0
Space Rental (B2C)	0.69	0.02	1.74	0.03	0.14	0.01		
Design Income (B2B)	0	0	0	0	1.5	0.06	0	0
Total Sale of Products	3733.16		5785.89		2476.02		677.25	
Advertisement Revenue (B2B)	53.95	1.33	69.28	1.15	12.76	0.50	0	0
Advertisement Revenue (B2C)	0.38	0.01	0	0	0.25	0.01	0	0
Revenue Share-Income (B2B)	130.01	3.19	79.26	1.31	32.62	1.29	5.03	0.74
Revenue Share-Income (B2C)	0	0	0	0	0	0	0	0
VPF Revenue Share (B2B)	44.71	1.10	42.75	0.71	15.26	0.60	0	0
Income from Sublease cinema properties	117.73	2.89	137.41	2.28	0	0	0	0
Total -Other operating revenue	346.78	-	328.7	-	60.89	-	5.03	-
Less: Branch transfer	-10.73	-0.26	-84.86	-1.41	0	0	0	
Total Revenue from operations	4069.21	100	6029.73	100	2536.91	100	682.28	100

- Under “Cinema Models- Franchise-Owned, Franchise-Operated (FOFO) Model”, following will be inserted:

Our company charges an initial Franchisee Fee of Rs. 5,00,000 plus GST per screen. This fee is fixed and represents a one-time, non-refundable payment that grants franchisees the right to operate a Connplex cinema under our established brand. In addition to the initial franchise fee, the overall franchisee fees also include advisory fees and management fees, which are designed to support the franchisee throughout the setup, operational, and ongoing management phases of the cinema.

Additionally, the company generates revenue through a Revenue Sharing Model, which covers the variable fees associated with the franchise operations. These include a share of the convenience fees collected by our collection partners and a percentage of the revenue generated from the sale of food and beverages at the cinemas. This flexible revenue-sharing structure is designed to align the interests of both Connplex and its franchisees, ensuring that both parties benefit as the business grows and performs well.

In the FOFO (Franchisee Owned, Franchisee Operated) model, the company enters into a franchise agreement where the royalty percentage is determined at the time of signing the agreement. This percentage may vary over time based on written or verbal agreements between the franchisor and the franchisee. Generally, there is no minimum guaranteed royalty, nor is there a

requirement for upfront fees related to royalty payments. The company charges royalty based on the ongoing business generated, such as the sale of movie tickets, food and beverages, and other related revenue streams.

We have implemented a feedback system that is designed to ensure open and transparent communication between our company and franchisees. This system serves as an essential tool for franchisees to communicate their needs, concerns, and any operational challenges they may encounter, fostering a continuous dialogue. Through this system, franchisees can share their feedback regarding customer preferences, service quality, or any local market trends, allowing us to remain agile and responsive to the ever-evolving entertainment landscape.

In addition to the feedback system, we conduct regular reviews and audits of service standards across all locations. These audits assess a wide range of operational aspects, such as service quality, customer satisfaction, staff performance, and adherence to brand guidelines. Our internal teams perform these audits both remotely and on-site, ensuring consistency and the alignment of operations with the company's high standards.

The feedback collected from franchisees, combined with insights from the audits, allows us to identify opportunities for improvement and quickly implement necessary changes. This proactive approach helps maintain a high level of service excellence and ensures that we remain competitive in the marketplace.

➤ **Under “Plant & Machinery”, following will be inserted:**

Our company has acquired a total of 40 new projectors, alongside 5 projectors obtained through a hire purchase arrangement, and 11 projectors on a rental basis. There is no conflict of interest in relation to the machinery being leased by the company. The leasing of equipment is in line with our operational strategy and has been undertaken to ensure flexibility and cost-effectiveness in meeting our technological requirements. The arrangements have been carefully structured to avoid any conflicts, allowing the company to maintain smooth operations without compromising on financial or operational interests.

➤ **Under “Export & Export Obligation”, following will be read as:**

Our company does not have any export and export obligation as on the date of Draft Red Herring Prospectus.

➤ **Under “Utilities and Infrastructure Facilities”, following will be inserted:**

Information Technology

Our company employs a range of IT systems to ensure efficient management and smooth operations across its cinema network. One of the core systems is the integrated movie programming and scheduling platform, which allows for seamless coordination of movie screenings across multiple screens. This system is highly flexible, capable of adapting to last-minute changes in movie lineups, special screenings, and promotional events, ensuring minimal errors and maximum operational efficiency.

The company also utilizes an “box office and ticketing management system” that integrates both online and on-site sales channels. This platform enables real-time ticket booking, seat reservations, and secure payment processing through various mediums, such as websites, mobile apps, and self-service kiosks. It also supports dynamic pricing models and promotional offers, contributing to better revenue management and customer satisfaction.

By leveraging these IT systems, Connplex Cinemas Limited not only optimizes its operational performance but also delivers an movie-going experience for its customers. The integration of these systems enables the company to maintain high service standards, ensure security, and drive business growth.

➤ **Under “Sales and Marketing”, following will be read as:**

Our success in the cinema industry lies in the strength of our relationships with our audience, who have been loyal to our Company for years. Our team, with their experience and strong rapport with customers, plays an instrumental role in delivering timely and high-quality service, which helps create and expand our brand's presence in the market. Our strategies are carefully designed to effectively promote our offerings, engage with our viewers, and strengthen our brand identity.

We develop and implement strategic plans to identify and pursue new business opportunities across various segments of the cinema landscape. This includes targeting key demographics such as families, young adults, and corporate clients, tailoring our approach to meet their specific entertainment needs through various platforms like Connplex website & Apps, News Paper Advertisements, Hoardings, Google, facebook, Instagram, Youtube, Snapchat and many other platforms promoting Connplex cinemas franchisee

opportunities for investors and New release Movies, F&B Offers, discounts etc for viewers.

At Connplex Cinemas Limited, our marketing strategy is built on the foundation of creating meaningful, lasting connections with our audience. We understand that in today's competitive cinema landscape, it's not just about showing great films; it's about delivering an experience that keeps people coming back. Our marketing efforts are focused on reaching diverse groups of people, engaging them where they are, and offering something uniquely special.

- **Building Relationships with Our Audience**

We take great pride in our relationship with our customers. Our team is dedicated to making every interaction count—whether it's a friendly chat at the concession stand or providing a seamless booking experience online. By offering personalized service and paying attention to the little details, we've created a loyal customer base that trusts us to deliver a consistently good experience. This customer-first approach has been key to our success in a crowded market.

- **Reaching Diverse Audiences with Tailored Campaigns**

We know that different people come to the cinema for different reasons. That's why we target a variety of audience segments, including families, young adults, and corporate clients. Each group has unique needs, and by understanding these needs, we are able to craft marketing campaigns that resonate with them on a personal level—whether it's a family-friendly film, a weekend movie outing for friends, or a special corporate screening event. This tailored approach helps us connect with a wide range of people.

- **Connecting Across Digital Platforms**

In today's digital world, it's essential to meet our audience where they are. We use a range of online platforms, from our website and apps to social media channels like LinkedIn, Facebook, Instagram, Whatsapp Channels, YouTube, and Snapchat, to engage with our customers. Whether we're promoting the latest movie release, offering a special discount, or announcing a limited-time food deal, these digital platforms allow us to reach and engage with our audience in a way that's both personal and far-reaching. This not only drives awareness but also builds excitement around the Connplex brand.

- **A Clear Brand Identity and Value Proposition**

We believe in delivering more than just a movie experience. Our marketing focuses on showcasing what makes Connplex Cinemas unique—whether it's our comfortable, state-of-the-art facilities, exceptional customer service, or our wide variety of movie choices.

- **Collaborations and Strategic Partnerships**

We also understand the importance of working together with others in the industry. Connplex Cinemas is always looking for opportunities to collaborate with like-minded brands, local businesses, and corporate partners. These partnerships not only enhance our visibility but also create new ways for customers to engage with us, from special promotions to cross-marketing efforts that introduce us to new audiences.

We are committed to enhancing our brand presence in the cinema industry. Our marketing strategy focuses on articulating our unique value proposition, showcasing our cinematic offerings and experiences, and positioning our Company as a leader in delivering exceptional entertainment solutions.

➤ **Under “Insurance”, following will be inserted:**

Our company has taken out insurance coverage exclusively for its vehicles to protect them against risks such as accidents, theft, and damage. Insurance for projectors and LED equipment is not provided by the company directly. Instead, the responsibility for insuring these assets lies with the franchisees. Each franchisee is required to secure their own insurance coverage for projectors, LEDs, and any other equipment they operate, ensuring that all assets are adequately protected.

S. No	Insurance Amount	Tangible Asset as on September 30, 2024	Insurance coverage as a % of Tangible asset
1	₹103.53 Lakhs	₹994.06 Lakhs	10.41%

S. No	Insurance Amount	Tangible Asset as on March 31, 2024	Insurance coverage as a % of Tangible asset
1	₹96.19 Lakhs	₹907.03 Lakhs	10.60%
S. No	Insurance Amount	Tangible Asset as on March 31, 2023	Insurance coverage as a % of Tangible asset
1	₹89.62 Lakhs	₹743.65 Lakhs	12.05%
S. No	Insurance Amount	Tangible Asset as on March 31, 2022	Insurance coverage as a % of Tangible asset
1	₹57.43 Lakhs	₹406.04 Lakhs	14.14%

➤ Under “Business Overview” Chapter, following will be inserted after SWOT analysis on Page 144:

Entertainment Tax

Currently, we are not required to pay any Entertainment Tax, nor do we have any exemptions in this regard, as no such laws are in place. However, if any such laws are introduced in the future, the responsibility for managing them will lie with the franchise owners.

Ticket Pricing

The average ticket price at CONNPLEX Cinemas is ₹252/-, though this can vary from one cinema to another due to several factors, including competition, city location, and the spending power of the local population.

- Cinema-to-Cinema Variation: Prices may differ between premium and non-premium locations, reflecting the market dynamics of each area.
- Impact of Competition: In cities with multiple cinema chains, ticket prices will be adjusted in response to what competitors are offering, ensuring we remain competitive in the market.
- City-Based Variation & Spending Power: Ticket pricing also varies across Tier 1, Tier 2, and Tier 3 cities, depending on the local spending power and demographic factors of each city.

Selection of Franchise owner

The franchise owners are selected keeping in mind the below mentioned points:

- We carefully assess franchisees who are financially prepared for the challenges ahead. This includes having a strong net worth and sufficient funds to cover initial costs, build the cinema, and ensure smooth operations.
- We're looking for franchisees who have a clear understanding of our payout mechanism and business model.
- While franchisees are expected to manage daily operations and deliver an exceptional customer experience, we provide comprehensive training to support their success.
- We seek franchisees who are committed to creating a branded, welcoming environment where guests feel valued each time they visit. This, in turn, helps elevate the Connplex brand across various states and regions.
- Knowledge of the local community, including city, town, or district specifics, is crucial. We want franchisees who can identify the best locations for cinemas that will thrive in their unique market.
- Understanding local tastes, preferences, and cultural nuances is key to ensuring the cinema's success.
- We want franchisees we can trust to represent the Connplex brand with integrity and professionalism.
- We value franchisees who can adapt to market changes and remain resilient, continuously pushing forward even in challenging times.

Standard Operating Procedure for Cinemas

A Standard Operating Procedure (SOP) helps to ensure that all operations, from box office to food & beverage services, are carried out consistently, efficiently, and according to company standards. Below is a detailed SOP for different operations within CONNPLEX Cinemas, covering the main departments like Operations, Box Office, Food & Beverage - Café, Food & Beverage Store, Housekeeping, and Security:

Operations Department SOP

Objective: To ensure smooth day-to-day operations of the cinema, ensuring customer satisfaction and efficient management of all internal functions.

Key Procedures:

Opening and Closing Procedures:

Opening: The cinema must be opened at least 2 hours before the first showtime. All screens, restrooms, and public areas should be inspected for cleanliness.

Closing: All areas should be checked for cleanliness, equipment turned off, and security systems set up.

Show Schedules:

Ensure that all movie schedules are updated in the system and displayed correctly both online and at the box office. Coordinate with the marketing team to ensure all promotions are applied correctly.

Customer Handling:

Greet guests with a positive attitude and assist them in choosing movies or resolving complaints. Keep communication clear, whether for ticket issues, concessions, or any other customer-related queries.

Box Office Department SOP

Objective: To provide efficient and accurate ticket sales while ensuring that the system runs smoothly.

Key Procedures:

Ticket Sales:

Manual Sales: Staff are trained to sell tickets manually when the system fails. Always check for available seats and prices.

Online Booking: Ensure the online system reflects the real-time availability of seats and discounts.

Payment Handling: Cash, card, and other digital payments should be handled in accordance with the financial guidelines. Always verify card payments with the proper identification.

Ticket Verification: Upon customer entry, tickets should be verified by scanning.

Refund and Exchanges: Process refunds as per the cinema's refund policy. Any exchanges or cancellations should be handled following the guidelines outlined by management.

Record Keeping: Maintain records of ticket sales, refunds, and any discrepancies. Reports should be submitted daily to the General Manager.

Food & Beverage – Café SOP

Objective: To ensure that customers are served quality food and drinks, providing an enjoyable café experience.

Key Procedures:

Menu Management: Ensure the menu is always up-to-date, reflecting the current items and prices. Promotions or seasonal items should be prominently displayed.

Food Preparation: All food items must be prepared as per the quality standards set by CONNPLEX. Ensure hygiene and safety guidelines are strictly followed in food prep. Cooking times, temperatures, and storage guidelines must be adhered to for all items.

Customer Service: Train staff to be courteous, efficient, and quick while taking orders, serving food, and handling payments. Ensure that the café area is clean and comfortable for guests.

Inventory Management: Regular stocktaking should be done. Inventory should be updated weekly to avoid shortages. Maintain proper storage and labeling for all ingredients.

Cleaning Protocol: Wipe down counters, tables, and equipment at least every hour. Trash must be emptied regularly, and any spills or stains should be cleaned immediately.

Food & Beverage – Store SOP

Objective: To efficiently manage the sales of snacks, beverages, and other food items in the store, ensuring quality and prompt service.

Key Procedures:

Product Display: Ensure that all products are organized, clean, and accessible to customers. Promotional items should be highlighted, and clear signage should be placed for easy navigation.

Customer Interaction: Sales staff must greet customers, help with product choices, and make recommendations for combos or best-sellers. Transactions must be processed quickly, and customers should be encouraged to make purchases efficiently.

Stock Handling: Regularly check stock levels and replenish products as needed. Ensure products are within expiry dates. Any expired products should be removed immediately.

Hygiene and Cleanliness: Ensure that the store is clean, and the shelves are organized. Regularly wipe down high-touch areas, such as counters, trays, and drink dispensers.

Housekeeping Department SOP

Objective: To maintain cleanliness and hygiene standards across all areas of the cinema.

Key Procedures:

Daily Cleaning: Clean all public areas such as the lobby, restrooms, hallways, and seating areas at least twice a day. Trash bins should be emptied regularly, especially before and after shows.

Cleaning of Screens: Each screen should be cleaned thoroughly after every show, with the seats and aisles checked for spills or trash. Ensure the floor is free from debris, and that the projector room is clean and free from dust.

Restroom Maintenance: Restrooms should be cleaned and sanitized every 2 hours, ensuring there is always soap, toilet paper, and hand dryers available.

Deep Cleaning: Once a week, perform a deep cleaning in all areas, focusing on corners, windows, and high-touch surfaces.

Reporting Issues: Any maintenance issues (broken lights, clogged toilets, etc.) must be reported immediately to the maintenance team for prompt resolution.

Security Department SOP

Objective: To ensure the safety and security of customers, staff, and the premises.

Key Procedures:

Security Checkpoints: Perform regular rounds throughout the cinema, especially before opening and after closing. Ensure exits are secured, and no unauthorized individuals are on the premises. All bags and packages should be inspected upon entry to ensure safety.

Surveillance Monitoring: Continuously monitor the CCTV cameras to ensure no suspicious activities occur. Any unusual activity

should be reported immediately to the management team for investigation.

Emergency Protocols: Staff should be trained to handle emergencies such as fire, medical issues, or evacuations. Emergency exits should always be clearly marked and accessible.

Conflict Resolution: Security personnel should be trained in conflict management. Any altercations must be handled with professionalism, ensuring minimal disruption to the cinema experience.

Incident Reporting: Any incidents such as accidents, theft, or customer disputes must be logged with detailed reports and followed up as required.

These Standard Operating Procedures for the CONNPLEX Cinemas departments—Operations, Box Office, Food & Beverage (Café and Store), Housekeeping, and Security—are crucial to ensuring smooth cinema operations and a high level of customer satisfaction. The procedures ensure consistency, safety, and efficiency, aligning with company standards.

➤ **Under “Immovable Property” Chapter, following will be inserted after the Property owned/leased table on Page 158:**

We confirm that none of the Lessor is our related party. All the transactions have been conducted at an arm's length price and all relevant agreement is adequately stamped and registered.

➤ **The word “robust”, “competitive”, “Luxury”, “high-Quality”, “advanced”, “visionary” and “state-of-the-art” mention in this chapter will be deleted.**

OUR MANAGEMENT

- **The No. of Equity Shares held & % of Shareholding (Pre-Issue) held by Mr. Anish Tulshibhai Patel and Mr. Rahul Kamleshbhai Dhyani in the table under “Board of Directors” will be read as**

66,70,800 Equity Shares of ₹ 10 each; 47.65% of Pre-issue Paid-up capital

- **The “Brief Profile of our Directors” will be read as:**

Mr. Anish Tulshibhai Patel, Managing Director, Age: 44 Years

Mr. Anish Tulshibhai Patel, aged 44 years is Managing Director and also the Promoter of our Connplex Cinemas Limited. He has cleared his Senior secondary in 1996 from Nelson High School, Maninagar (Ahmedabad) where he also acquired Greenbelt in Karate as an extra-curricular activity. Then, in 1998, he cleared his Higher Senior Secondary from Best High School, Maninagar (Ahmedabad).

He cleared his Bachelors in Information Technology & Computer science from K S School of Management, Ahmedabad and subsequently he cleared his Masters in Information Technology & Computer science from the same college.

Earlier, he ventured into multiple franchise operations, focusing on marketing, finance, and quality control. He successfully built education and hospitality franchises from the ground up, empowering students and professionals alike. He has past experience in service & hospitality industry.

Further in 2018, he was appointed on the Board on January 23, 2018 as the Founder & Director of VCS Industries Limited which is now Connplex Cinemas Limited and further on 30 September 2024, was designated as Managing director for a period of 5 years, with an aim to be a visionary leader with long-term approach as he is and was always known for meticulous planning before execution. He has experience of 06 years in entertainment industry. He has a clear mindset with overseeing critical aspects such as property acquisition, franchise growth, financial oversight and all other legal matters. In addition, he also holds directorship in Connplex Sky Theatres private Limited and Connplex Home Theatre Private Limited, where he continues to drive strategic activities and continues to expand the brand Connplex in various segments of the entertainment and cinemas industry.

During his tenure he has demonstrated exceptional leadership, strategic foresight and an commitment to the organization's growth and success. He is instrumental in driving key business initiatives, formulating effective strategies, and ensuring the smooth functioning of all departments. His ability to lead diverse teams, foster innovation and maintain high ethical standards has been truly commendable. He has consistently displayed professionalism, dedication and a visionary approach, making them an invaluable asset to the Company.

He has been awarded by following:

- Awarded by FRO SUMMIT for his contribution at 120th National Franchise & Retail Real Estate Event on 04-05 September, 2021
- Awarded for his initiative, enthusiasm and support in helping cinemas students by Proper Media Pvt Ltd. & Nepathya – The Backstage Presents on 19th January, 2020.
- Accorded certificate of excellence as emerging company of the year award by IEDRA (Indian Economic Development & Research Association), New Delhi on 3rd June 2023 at “Azadi Ka Amrit Mahotsav – Atmanirbhar Bharat”
- The Gujarat State Brand Leadership Award 2024 received by Connplex Cinemas from Cadila Pharmaceuticals Limited under the leadership of Mr. Anish Patel and Mr. Rahul Dhyani
- Awarded as Golfer of The Year 2021 by TAECA.

Mr. Rahul Kamleshbhai Dhyani, Joint Managing Director, Age: 44 Years

Mr. Rahul Kamleshbhai Dhyani, aged 44 years is Joint Managing Director and also the Promoter of our Connplex Cinemas Limited. He was appointed on the Board on January 23, 2018 as Director and resigned on July 05, 2019. Further he was appointed as Chief Executive Officer w.e.f., July 06, 2019 and resigned on August 24, 2020 and appointed as director on the same date. He was further designated as Joint Managing director for a period of 5 years w.e.f. September 30, 2024. He holds degree of Bachelor of Commerce. He has over 06 years of experience in entertainment industry.

He had a diverse background in business development, marketing, and event management. He started his career as a Marketing Executive where he significantly contributed to expanding the business in Ahmedabad. He transformed ordinary events into great experiences, collaborating with top brands in India and setting new industry standards. He has past experience in Entertainment and Movie industry.

He was the founder and director of Connplex Cinemas Limited having experience of 6 years, contributing to the company's growth in the cinema and entertainment industry. He also held directorships at Connplex Sky Theatres and Connplex Home Theatre Private Limited, continuing to drive innovation in the industry.

During his tenure, Mr. Rahul Dhyani has demonstrated exceptional leadership, strategic vision, and a commitment to innovation. He played a key role in driving Connplex Cinemas' growth, overseeing operational and strategic initiatives, and integrating cutting-edge technology to create premium viewing experiences for audiences.

His key contributions include:

- Expanding Connplex Cinemas Limited brand presence across India with a focused mindset.
- Spearheading market expansion and establishing Connplex Cinemas as one of India's fastest-growing cinema chains, known for luxurious screens and the latest technologies.
- Streamlining business processes and optimizing sales channels, including setting up a franchise model.
- Developing intellectual properties in entertainment and lifestyle sectors, significantly enhancing the company's brand recognition among market leaders.
- Leading diverse teams, fostering collaboration, and mentoring future leaders.

Mr. Rahul Dhyani has showcased exemplary decision-making skills, a strong ability to uncover new revenue streams, and a deep understanding of market trends. His dedication to excellence and innovative approach has been an invaluable asset to Connplex Cinemas Ltd.

He has been awarded by following:

- Awarded by FRO SUMMIT for his contribution at 120th National Franchise & Retail Real Estate Event on 04-05 September, 2021
- Awarded for his initiative, enthusiasm and support in helping cinemas students by Proper Media Pvt Ltd. & Nepathya – The Backstage Presents on 19th January, 2020.
- Accorded certificate of excellence as emerging company of the year award by IEDRA (Indian Economic Development & Research Association), New Delhi on 3rd June 2023 at “Azadi Ka Amrit Mahotsav – Atmanirbhar Bharat”
- The Gujarat State Brand Leadership Award 2024 received by Connplex Cinemas from Cadila Pharmaceuticals Limited under the leadership of Mr. Anish Patel and Mr. Rahul Dhyani

Mr. Parshwa Bhavikbhai Shah, Non-Executive Independent Director, Age: 31 Years

Mr. Parshwa Shah, aged 31 years is Non-Executive and Independent Director of our Company. He was appointed on the Board as Independent Director w.e.f September 30, 2024 for a period of 5 years and shall not be liable to retire by rotation. He is a member of the Institute of Company Secretaries of India (ICSI).

Mr. Parshwa Shah brings experience to his role, having previously served as an Assistant Secretarial Executive at Umesh Ved & Associates, Company Secretaries, for 3.5 years. During this tenure, he was responsible for handling a range of corporate compliance matters, including adherence to the Companies Act, 2013, SEBI regulations, and assisting with issues related to the Insolvency and Bankruptcy Code. Following this, Mr. Shah worked as a Whole-Time Company Secretary at Saanvi Advisors Ltd for 1.5 years, where he was deeply involved in the company's internal governance, compliance practices, and strategic decision-making processes. He has past experience in service industry.

In addition to his corporate roles, Mr. Parshwa Shah actively contributes to the broader professional community. He serves as a Managing Committee Member of the Ahmedabad Chapter of the Western India Regional Council (WIRC) of the Institute of Company Secretaries of India (ICSI). Within this capacity, he holds the esteemed position of Chairman of the Professional Development and Continuing Education (PCS) Committee, where he plays a key role in organizing educational initiatives and programs that support the development of professionals in the field of company secretarial services. His professional experience combines strong legal expertise and corporate governance knowledge, making him an invaluable asset to the company's board.

Mr. Ronak Ashokbhai. Mehta, Non-Executive Independent Director, Age: 32 years

Mr. Ronak has 4 years of professional experience as a Practicing Company Secretary, and have developed a strong expertise in corporate governance, compliance, and regulatory matters. He is the Proprietor of M/s. R N Mehta & Company, a firm of Practicing Company Secretaries based in Ahmedabad. Under his leadership, the firm has built a solid reputation for delivering services in areas such as corporate secretarial practices, legal compliance, and advisory roles for businesses across various industries. He has past experience in service industry. In his role as an independent director, Mr. Mehta is responsible for

ensuring that Connplex Cinemas Limited adheres to high standards of corporate governance, transparency, and regulatory compliance. His contributions include providing unbiased opinions on the company's strategic decisions, risk management policies, and financial oversight.

His position adds significant value to the governance framework of Connplex Cinemas Limited, ensuring its long-term success while maintaining transparency and accountability to stakeholders.

Ms. Amisha Fenil Shah, Non-Executive Independent Director, Age: 33 Years

Ms. Amisha Fenil Shah, aged 33 years is Non-Executive and Independent Director of our Company. She was appointed on the Board as Independent Director w.e.f September 30, 2024 for a period of 5 years and shall not be liable to retire by rotation. She holds a Bachelor's degree in Law, in addition to being a member of the Institute of Company Secretaries of India (ICSI).

Amisha Shah is the founder of M/s. Amisha & Co., a firm specializing in company secretarial services, and brings over 6.5 years of professional experience in the field. With a strong background in corporate governance, legal compliance, and advisory services, she has built a solid reputation for her expertise and attention to detail in helping businesses navigate complex regulatory environments. In addition to her role as the proprietor of M/s. Amisha & Co., Amisha Shah holds directorship positions in Dharmaj Crop Guard Limited and Mahickra Chemicals Limited, where she contributes her strategic insights and corporate governance expertise to the growth and success of these organizations. He has past experience in service industry.

She provides independent oversight to the board's decisions, particularly in areas related to legal and regulatory matters. Ms. Shah also helps safeguard the interests of shareholders, promotes transparency, and contributes to strategic decision-making. Her expertise in secretarial matters is valuable in ensuring the company adheres to the highest standards of corporate ethics and compliance.

➤ Under “Brief Profile of our Key Managerial Person”, following will be updated:

Mr. Pujan Ashvinbhai Thakkar, Chief Financial Officer, Age: 24 Years

Mr. Pujan Ashvinbhai Thakkar is the Chief Financial Officer of our Company. He is Commerce Graduate. He was appointed as Chief Financial Officer of our Company on December 06, 2024. He has experience of 2.5 years in accounts and taxation. He is responsible for overseeing all finance-related functions within the company, ensuring effective financial management and reporting. His role encompasses managing financial operations, budgeting, and compliance, contributing to the company's financial stability and strategic planning. Mr. Pujan Ashvinbhai Thakkar commenced his professional journey with V.T. Thakkar & Co. in September 2018, where he served as the Head of the Accounts, Income Tax, and GST departments until September 2021. During his tenure, he played a pivotal role in managing the firm's financial operations, ensuring tax compliance, and implementing IT systems to enhance the efficiency of accounting processes. Notably, he also completed his Bachelor of Commerce (B. Com) degree and received his graduation certificate in October 2021. Subsequently, Mr. Pujan Thakkar joined Connplex Cinemas Limited as a Senior Accountant in October 2022. In this capacity, he oversaw financial transactions, budgeting, and the preparation of accurate financial reports. His contributions were recognized with a promotion to the position of Chief Financial Officer (CFO) in December 2024.

Ms. Ratika Khandelwal, Company Secretary & Compliance Officer, Age: 36 Years

Mrs. Ratika Khandelwal began her professional journey at Shashwat Furnishing Solutions Limited, where she accumulated 3 years of experience in handling all aspects of secretarial work. During her time there, she was responsible for managing corporate governance, compliance with legal regulations, and ensuring the company adhered to the requirements of various corporate laws. After resigning, she joined Connplex Cinemas Limited as a Company Secretary (CS). In her current role, she is responsible for overseeing the company's legal and compliance functions.

➤ Under “Shareholding of our Directors”, on Page 179 will be read as:

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Anish Tulshibhai Patel	66,70,800	47.65
2.	Rahul Kamleshbhai Dhyani	66,70,800	47.65

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus

➤ **The Point g on Page 187 will be read as:**

None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Anish Tulshibhai Patel	66,70,800	47.65
2.	Rahul Kamleshbhai Dhyani	66,70,800	47.65

OUR PROMOTERS & PROMOTER GROUP

- **The first paragraph will be read as:**

Mr. Rahul Kamleshbhai Dhyani and Mr. Anish Tulshibhai Patel are the promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Rahul Kamleshbhai Dhyani and Mr. Anish Tulshibhai Patel are holding 1,33,41,600 Equity Shares which constitute 95.30% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

- **The No. of Equity Shares held & % of Shareholding (Pre-Issue) held by Mr. Anish Tulshibhai Patel and Mr. Rahul Kamleshbhai Dhyani in the table under “Details of our Promoters” will be read as**

66,70,800 Equity Shares of ₹ 10 each; 47.65% % of Pre-issue Paid-up capital

SECTION IX - FINANCIAL INFORMATION OF OUR COMPANY

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

➤ **Under “Results of our Operation”, following will be inserted:**

Justification for increase in the Revenue of the Company in FY23 as compared to FY22.

FY 2021-22 was heavily impacted by the COVID-19 pandemic, leading to a significant downturn in the cinema industry due to the post-COVID economic slowdown. Reduced audience turnout and slow business recovery further affected overall revenue generation. Also, the cinema industry resumed from November, 2021.

During this period, the company had 18 screens as of March 31, 2022, with most of them becoming operational only towards the end of the financial year. As a result, the revenue potential of these screens was not fully realized within FY 2021-22 but was instead reflected in FY 2022-23.

With the easing of COVID restrictions and a resurgence in audience interest in theatrical movie experiences, the industry witnessed a strong recovery in FY 2022-23. The combination of increased operational screens and higher footfall contributed to a substantial rise in revenue, marking a significant turnaround for the company.

Justification for increase in Revenue of the Company in FY24 as compared to FY23.

The revenue growth from Rs. 2,536.91 lakhs in FY 2022-23 to Rs. 6,029.74 lakhs in FY 2023-24 were primarily driven by the full-year operational performance of existing screens, including earnings from ticket sales and food & beverage (F&B) sales, along with revenue generated from the development of new cinemas. During this year, the company added a total of 25 new cinemas, further strengthening its market presence. A major contributor to this growth of revenue was the Rs. 2,719.05 lakhs earned specifically from cinema development, which significantly enhanced overall revenue.

For FY 2021-22 was a transitional period for the company, during which revenue from cinema development did not fully translate into earnings from ticket bookings and food & beverage (F&B) sales, as most screens became operational only toward the end of the financial year. Consequently, the financial impact of these new screens was not fully realized in that year.

However, in FY 2022-23, the company experienced a notable increase in revenue due to the full-year operation of screens that had been launched late in FY 2021-22. This allowed the company to maximize earnings from ticket sales and F&B, resulting in stronger financial performance. Additionally, despite the growth in revenue, operating expenses remained relatively stable during this period. This operational efficiency played a key role in improving profitability, leading to a higher PAT (Profit After Tax)-to-sales ratio.

Justification for increase in PAT of the Company in FY23 as compared to FY22.

As previously mentioned, FY 2021-22 was a transitional period for the company, during which revenue from cinema development did not fully translate into earnings from ticket bookings and food & beverage (F&B) sales, as most screens became operational only toward the end of the financial year. Consequently, the financial impact of these new screens was not fully realized in that year.

However, in FY 2022-23, the company experienced a notable increase in revenue due to the full-year operation of screens that had been launched late in FY 2021-22. This allowed the company to maximize earnings from ticket sales and F&B, resulting in stronger financial performance. Additionally, despite the growth in revenue, operating expenses remained relatively stable during this period. This operational efficiency played a key role in improving profitability, leading to a higher PAT (Profit After Tax)-to-sales ratio.

Justification for increase in PAT of the Company in FY24 as compared to FY23.

The Profit After Tax (PAT) grew from Rs. 164.84 lakhs in FY 2022-23 to Rs. 408.83 lakhs in FY 2023-24, primarily driven by the expansion of operations while fixed costs remained relatively stable until additional expenses were required. Additionally, there is typically a time lag between the launch of new cinemas and the realization of full-year earnings from ticket sales and food & beverage (F&B) revenue. Some screens may be set up in one financial year, generating revenue from cinema development, but they may not operate for the entire year, delaying the full revenue impact from ticket bookings and F&B sales until the following year. This staggered effect in revenue realization significantly contributed to the increase in PAT. Furthermore, during this period, 25 new screens were developed with higher profit margins, further enhancing overall profitability.

Justification for increase in PAT of the Company in stub period.

For the stub period ending September 30, 2024, the company achieved a Profit After Tax (PAT) of Rs. 960.79 lakhs. One of the primary reasons for this growth is the company's enhanced brand reputation, supported by its expansion to 49 screens across India as of March 2024, which further increased to 55 screens by September 30, 2024. This growing presence in the market allowed the company to command better margins in cinema development, ticket sales, and food & beverage (F&B) sales, contributing significantly to overall profitability.

Another key factor behind the increase in PAT was the company's expansion in FY 2023-24, during which 25 new cinemas were developed. While the revenue from cinema development for these projects was recognized in FY 2023-24, ticket sales and F&B revenue from these screens started flowing in only in the subsequent financial period after the cinemas became operational. Initially, new cinemas tend to experience moderate footfall, but over time, as brand awareness and audience engagement grow, they begin to generate higher cash flows. This gradual increase in revenue, combined with effective cost management and higher-margin operations, resulted in improved turnover and profitability for the stub period.

SECTION X – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

- Under “Part 2: Litigation Relating to our Directors and Promoters of our Company”, - “A. Litigation against our Directors and Promoters” Point 4 Litigation involving Tax Liability will be read as:

Indirect Tax: NIL

Direct Tax: NIL

- On Page 210 of DRHP, following will be inserted after PART 3:

Part 4: Litigation Relating to Our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

A. Litigation Against Our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

- 1) Litigation involving Criminal Laws - NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL
- 3) Disciplinary Actions by Authorities - NIL
- 4) Litigation involving Tax Liability - NIL
- 5) Other Pending Litigation based on Materiality Policy of our Company - NIL

B. Litigation Filed by Our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

- 1) Litigation involving Criminal Laws - NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL
- 3) Disciplinary Actions by Authorities - NIL
- 4) Litigation involving Tax Liability - NIL
- 5) Other Pending Litigation based on Materiality Policy of our Company - NIL

GOVERNMENT AND OTHER APPROVALS

➤ The “License to be applied for” will be deleted and following license will be updated in this chapter:

S. No.	Descriptions	Registration Number	Issuing Authority	Date of Issue
1.	Professions Tax Registration Certificate (P.T.R.C.)	10AHMV08224GR	Patna Central Circle 1	March 03, 2025

➤ The “License applied for” will be inserted and read as:

Cinema Licenses: Cinema licenses have been submitted for renewal to the relevant authorities. The details are as follows:

S. No.	Particulars	Issuing Authority	Date of Application	Current Status
1.	CONNPLEX Raja bazar brij saroz	Collectorate Office, Bihar	21/01/2025	Applied for renewal of cinema license, pending from concerned authority
2.	CONNPLEX J D Mall	Collectorate Office, Bihar	18/12/2024	Applied for renewal of cinema license, pending from concerned authority
3.	CONNPLEX S R Arcade	Collectorate Office, Bihar	28/11/2024	Applied for renewal of cinema license, pending from concerned authority
4.	CONNPLEX Katihar	Collectorate Office, Bihar	17/12/2024	Applied for renewal of cinema license, pending from concerned authority
5.	CONNPLEX Nawada	Collectorate Office, Bihar	01/01/2025	Applied for renewal of cinema license, pending from concerned authority
6.	Connplex Siwan	Collectorate Office, Bihar	24/11/2024	Applied for renewal of cinema license, pending from concerned authority
7.	Connplex Prahladnagar	Collectorate Office, Ahmedabad	02/12/2024	Applied for renewal of cinema license, pending from concerned authority
8.	Connplex Mehsana	Collectorate Office, Mehsana	17/10/2024	Applied for renewal of cinema license, pending from concerned authority

Fire NOCs has been submitted for renewal to the concerned authorities for the below properties. The details are as follows:

S. No.	Particulars	Issuing Authority	Date of Application	Current Status
1	CONNPLEX Raja Bazar	Fire Department	04/04/2025	Applied for renewal of Fire NOC, pending from concerned authority
2	CONNPLEX Katihar	Fire Department	15/12/2024	Applied for renewal of Fire NOC, pending from concerned authority
3	CONNPLEX Nawada	Fire Department	01/01/2025	Applied for renewal of Fire NOC, pending from concerned authority
4	Connplex Siwan	Fire Department	30/11/2024	Applied for renewal of Fire NOC, pending from concerned authority

SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES

➤ **On Page 229 of DRHP, following will be inserted after Point 16 of “Eligibility for the Issue”:**

17. Offer for sale (OFS) The proposed IPO of our company involves only the issuance of fresh equity shares, with no selling shareholders participating in the Offer for Sale (OFS). Therefore, the eligibility criteria related to the Offer for Sale, which states that the OFS by selling shareholders in an SME IPO cannot exceed 20% of the total issue size and that selling shareholders cannot sell more than 50% of their holding, is not applicable.

➤ **On Page 231 of DRHP, following will be inserted:**

As per Regulation 247 of the SEBI ICDR Regulations, our Company has ensured that:

- (1) The draft offer document filed with the SME exchange shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, and the same will be hosting on websites of our Company at www.theconnplex.com, website of stock exchange at www.nseindia.com and Book Running lead manager at www.beelinemb.com.
- (2) The Company shall, within two working days of filing the draft offer document with the NSE EMERGE, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with the NSE EMERGE and inviting the public to provide their comments to the NSE EMERGE, the Company or the Book Running lead manager in respect of the disclosures made in the draft offer document.
- (3) The Book Running lead manager shall, after expiry of the period stipulated in sub-regulation (1) of Regulation 227, file with the SME exchange, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.
- (4) The Company and the Book Running Lead Manager shall ensure that the draft offer document are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, Board and the NSE EMERGE.
- (5) The BRLM and Company shall provide copies of the offer document to the public as and when requested.

➤ **On Page 234 of DRHP, following paragraph will be inserted under “filling”:**

Pursuant to Regulation 246 (3), the Draft Red Herring Prospectus shall be filed along with due diligence certificate as per Form A of schedule V to which the site visit report of the issuer prepare by the BRLMs is annexed including additional confirmations as provided in Form G of schedule V with NSE EMERGE Platform of National Stock Exchange of India Limited.

SECTION XIII – ISSUE RELATED INFORMATION

ISSUE PROCEDURE

Allotment will be made in consultation NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows: a) Each successful applicant shall be allotted [●] equity shares; and b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

SECTION XV – OTHER INFORMATION

DECLARATION

We hereby 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 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 while issuing the Addendum. No statement made in the Addendum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Addendum are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Anish Tulshibhai Patel Managing Director DIN: 07823715	Sd/-
Mr. Rahul Kamleshbhai Dhyani Joint Managing Director DIN: 05172592	Sd/-
Mr. Ronak Ashokbhai Mehta Independent Director DIN: 10525257	Sd/-
Mr. Parshwa Shah Independent Director DIN: 07866765	Sd/-
Ms. Amisha Gandhi Independent Director DIN: 10525257	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY: -

Mr. Pujan Thakkar Chief Financial Officer	Sd/-
Mrs. Ratika Khandelwal Company Secretary and Compliance Officer	Sd/-

Date – June 11, 2025

Place – Ahmedabad, Gujarat