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PICTUREPOST STUDIOS LIMITED

Our Company was originally formed as Limited Liability Partnership Firm under the name and style of “M/s. Proda Solutions LLP” pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated August 22, 2019 with LLP registration number being AAQ-3343. Subsequently, the name of our LLP was changed to “Picturepost Studios LLP” with Certificate of Incorporation pursuant to change of name issued by Registrar of Companies, Central Registration Centre, dated August 26, 2022. M/s. Picturepost Studios LLP was thereafter converted into a Private Limited Company “Picturepost Studios Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 01, 2023 was issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “Picturepost Studios Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on February 21, 2024 and a fresh Certificate of incorporation dated May 14, 2024 issued by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U62099MH2023PLC404020

Registered Office: 701, 7th Floor, Sapphire Building, Junction of S.V. Rd & 1st Rd, Khar (W), Khar Colony, Mumbai 400052, Maharashtra, India;

Tel: +91 9769199410 **E-mail:** investors@picturepoststudio.com; **Website:** www.picturepoststudio.com

Contact Person: Mr. Abhishek Sharma, Company Secretary and Compliance Officer;

THE PROMOTERS: MR. PARISH TEKRIWAL, MR. SHAILENDRA ISHWARDAS CHANDGOTIA, MS. POOJA SHAILENDRA CHANDGOTIA AND MS. DEEPA SHAILENDRA CHANDGOTIA

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 18, 2024 NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 78,00,000 EQUITY SHARES OF FACE VALUE OF ₹1/- EACH (THE “EQUITY SHARES”) OF PICTUREPOST STUDIOS LIMITED (“OUR COMPANY” OR “PICTUREPOST STUDIOS” OR “PPSL” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e., NET ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER 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 investor may note the following:

- The Chapter titled “**Risk Factors**” beginning on page 27 of the Draft Red Herring Prospectus has been updated with shifting and modification of certain Risk Factors.
- The Chapter titled “**Management’s Discussion And Analysis Of Financial Condition And Results Of Operations**” beginning on page 163 of the Draft Red Herring Prospectus has been updated with shifting and modification of certain Risk Factors.

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, 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.

Place: Mumbai

Date: 25.07.2024

On behalf of **Picturepost Studios Limited**

Sd/-

Mr. Parish Tekriwal

Chairperson & Managing Director

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Bigshare Services Pvt. Ltd.

SHRENI SHARES LIMITED (Formerly Known as Shreni Shares Private Limited)

No. 217, Hive 67 Icon, Poisar Gymkhana Road,
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,
Kandivali West, Mumbai – 400067, Maharashtra, India.

Telephone: 022 - 2089 7022

E-mail: shrenishares@gmail.com

Investors Grievance e-mail: info@shreni.in

Contact Person: Ms. Tanya Goyal

Website: www.shreni.in

SEBI Registration Number: INM000012759

BIGSHARE SERVICES PRIVATE LIMITED

Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road, Andheri East,
Mumbai – 400 093, Maharashtra, India

Tel: 022 - 6263 8200

E-mail: ipo@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Babu Rapheal C

SEBI Registration No.: INR000001385

ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD: [●] *

BID/ISSUE OPENS ON: [●] *

BID/ISSUE CLOSES ON: [●] **

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

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBS one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION III – RISK FACTORS

7. We derive a significant amount of revenue from the Post Production Services for Advertisement. Any decrease in revenue from Advertisement Services will adversely affect our business, cash flows, financial condition and results of operations.

As on the date of this Red Herring Prospectus, we are engaged in providing Post Production Services for Advertisements and Films and Web series. For the period July 11, 2023 to March 31, 2024, for the period ended July 10, 2023 and for the financial years ended March 31, 2023 and March 31, 2022 we have derived ₹2129.67 Lakhs, ₹539.19 Lakhs, ₹968.64 Lakhs and ₹ 29.00 Lakhs, or 96.90%, 96.68%, 100% or 100% of our revenue from operations, respectively, from the Post Production Services for Advertisements. While our dependence on revenue from Advertisement Services has been declining with increasing revenue from Films and Web Series, any decrease in the revenue from Advertisement Services will adversely affect our business, results of operations, financial condition and cash flows

12. The knowledge and experience of certain present promoters of our Company is limited in VFX Industry.

The knowledge and experience of certain present promoters of our Company is limited in VFX Industry. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience in this industry and we cannot assure that this will not affect our business growth. Although our Promoters, Directors and key managerial personnel, Mr. Shailendra Ishwardas Chandgotia, Ms. Deepa Shailendra Chandgotia and Ms. Pooja Shailendra Chandgotia have experience of around 3 years. For further details of our directors and key managerial personnel, please refer chapter titled “Our Management” beginning on Page 135 of this Red Herring Prospectus.

13. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize the Net Proceeds of the Issue and the Objects have not been independently appraised by a bank or a financial institution. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.

We intend to use the Net Proceeds of the Issue for the purposes described in the section titled “Objects of the Issue” on page 70. The Objects of the Issue are: a) Funding of capital expenditure requirements of our Company towards purchase of equipment and Software b) Repayment/prepayment of all or certain of our borrowings availed by our Company; c) General Corporate Purposes.

The Objects of the Issue have not been appraised by any bank or financial institution, and certain our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from that of any third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Issue would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, at such price and in such manner in accordance with applicable law.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPARISON OF PERIOD JULY 11, 2023 TO MARCH 31, 2024 AND PERIOD ENDED JULY 10, 2023 TO FINANCIAL YEAR ENDED 2023

Increase in Total Income from FY 2023 to FY 2024

Strategic Investments and Expansion

In FY 2024, due to increasing demand for our services, the promoters decided to inject additional capital into our operations. This involved expanding our Overdraft (OD) limits with Indian and ICICI banks to Rs. 595 lakhs, alongside a personal infusion of Rs. 99.00 lakhs by our promoter. These funds were crucial for acquiring/leasing hardware and software, setting up various suites, and meeting working capital needs.

Currently, our facilities include 11 online edit suites, 3 offline edit suites, a dedicated colour grading theatre, and a computer graphics production room with 10 workstations for our commercial advertisement services division.

Introduction of Advanced Services

In the latter part of FY 2024, we enhanced our service portfolio with the introduction of advanced colour correction and grading services. Leveraging cutting-edge technology such as the Christie projector and Resolve advanced panel, our Resolve theatre supports 4K HDR monitoring, projection capabilities, and a suite of powerful plugins. We have recruited foreign technicians renowned for their extensive industry experience in colour grading, ensuring delivery of high-quality work.

Additionally, in November 2023, we launched a dedicated production facility catering to films and OTT platforms. This facility includes a VFX Production floor, Mastering room, Confirm Room, VFX Preview Room, 1 Offline Edit suite, 1 Online Edit suite, and 1 Colour Grading Theatre. Despite the extended service durations typical of these specialized offerings, our revenue for FY 2024 amounted to Rs. 86.69 lakhs. Looking ahead, we anticipate significant potential revenue growth in the next financial year, reflecting the increasing demand and expanded capabilities of our newly launched production facilities catering to films and OTT platforms.

Business Promotion and Marketing

Our proactive approach to business promotion included organizing events and allocating Rs. 39.94 lakhs towards advertising, social media campaigns, and other promotional activities. We also engaged marketing consultants, compensating them with a commission totalling Rs. 119.35 lakhs for their successful efforts in generating business opportunities for the company.

Throughout FY 2024, our commitment to delivering exceptional service has resulted in repeat business from 532 customers, generating revenue of Rs. 13.39 Crore. Furthermore, we expanded our customer base by acquiring 134 new customers, bringing our total to 224 satisfied clients.

FY 2024 has been a transformative year for us, with strategic investments, expanded capabilities, and robust growth in both revenue and clientele. We look forward to building on this momentum and achieving even greater milestones in the future.

Few of our prestigious customer we served are as mentioned hereunder:

Excel Media and Entertainment

TLG India Private Limited

Brandmap Communications Private Limited (Subsidiary Company of Publicis Group)

Emmay Entertainment and Motion Pictures LLP

Another Idea

Schbang Digital Solutions Private Limited

Pooja Entertainment Limited

Some of our key projects

Dry Day – Amazon Prime

Half CA – Amazon Mini TV

Bade Miyan Chotte Miyan

Panchayat Season 3 – Amazon Prime
Rungta Steel Ads
Arrow Ads
Kalyan Jewellers Ads
Jockey Ads

Financial Impact

The continuous development and evolution made the company one stop solution and the ultimate destination for all post production need, generating Rs. 2,639.36 lakhs in FY 2024. This achievement likely positions the company as a significant player in the post-production industry, capable of meeting a wide range of client needs in future.

Revenue-Generating Team Structure in FY24

Particulars	No of People
Online Editors	24
Offline Editors	2
Colour Grading Team (DI Team)	6
Marketing	3
Key Managerial Personnel and Senior Management Person	5
Total	40

Clients Served in FY 2023 and FY 2024

Particulars	FY 2023	FY 2024
Client Served	90	224
Number of Client given Repeat Orders from	36	51
Repeat Orders Executed	150	532
Total Projects Executed	204	661
Revenue From Existing Customers	Rs. 230.00 lakhs	Rs 1339 Lakhs
Revenue From New Customers	Rs. 854.84 lakhs	Rs 1330 lakhs

Increase in PAT margin from FY 2023 to FY 2024.

Operational Efficiencies and Strategic Cost Management Comparison (FY 2023 vs FY 2024)

Revenue Growth:

Revenue from operations increased by 143.29%, from Rs. 1084.84 lakhs in FY 2023 to Rs. 2639.36 lakhs in FY 2024.

This significant growth indicates a robust increase in business activity and likely market demand for the company's services.
Profitability Improvement:

The company improved its Profit Before Tax (PBT) margin to approximately 16% in FY 2024, up from about 8% in FY 2023.

This improvement is substantial and can be attributed to several factors, including operational efficiencies, strategic cost management, and introduction of higher-margin services like computer graphics and colour Grading.

Expense Management:

Total expenses increased by 122.86%, which is lower than the revenue growth rate of 143.29%.

This indicates effective cost management and control measures, despite the rapid expansion in operations.

Strategic Initiatives:

The company consolidated common overheads and fixed costs across departments, which streamlined expenses and contributed to profitability.

Introducing high-margin services and adjusting pricing in response to market conditions (e.g., increasing online editing rates) also boosted profitability without a proportional increase in direct costs.

Market Position and Pricing Strategy:

The company's decision to increase online editing rates by 10% to Rs. 2750 per hour reflects confidence in its market position and the added value it provides.
Competitor benchmarking at Rs. 3000 per hour supported this pricing adjustment.

Investments and Infrastructure:

Investments in production facilities, hardware, software, and workforce have enhanced the company's capabilities. Company invested Rs. 768.31 lakhs in fixed assets.
These investments enable higher pricing to clients, leveraging the company as a comprehensive solution provider in the post-production industry

Year	Online + CG Suite			Offline Studio Suite			DI division			Total Revenue (in lakhs)
	Hours Served	Hourly Rate	Revenue (in lakhs)	Hours Served	Hourly Rate	Revenue (in lakhs)	Hours Served	Hourly Rate	Revenue (in lakhs)	
2023	39054	2500	976.35	10848	1000	108.48				1084.84
2024	76781	2750	2111.49	26394	1000	263.94	1760	15000	263.94	2639.36

List of Equipments purchased by the Company for FY 2023-24

Description	Amount
EBM Battery	68,000.00
Exide 150AH Inverter Battery	39,218.75
Buttery Smoke Detector	7,510.00
Projector	12,09,833.00
Acer Aspire 3 Interl Core Laptop	31,347.46
Acer Aspire 5 12th Gen Inter Core Laptop	62,694.92
Intel Core i9-13900K, Nvidia A5000 24GB Graphic Cards 1TB NVME 128 GB RAM	3,16,034.00
LG 27" Monitor	29,831.00
Processor, Motherboard, Ram, SD, Cabinet, SMPS, Keyboard, Mouse, Graphic Card, Cooler etc	2,08,400.00
Camera etc	52,460.00
Camera etc	50,160.00
Socket PDU	12,800.00
Eaton DXRT 20KVA UPS	1,70,800.00
Microteck 2350TV Inverter	18,474.58
Rail Kit	9,000.00
Mac Studio	3,27,380.58
Camera etc	1,28,120.00
Smoke Detector	27,900.00
Buttery Smoke Detector	12,925.00
LG 27" Monitor	2,98,305.00
Firewall Sophos	1,28,000.00
Houter Agni Box	2,155.00
AMD Ryzen 9 7950X & Intel I9 13900K Systems	25,41,203.00
Speaker Stand	6,270.34
Speaker Stand	6,270.34
27" LG LED Monitor	1,49,153.00
Windows Server	70,000.00
Windows 10 Pro	42,250.00
Extender	69,000.00
Big Knob Passive Studio Monitor Controller	5,422.88

ESSL Biometric Attendance Device	7,000.00
ESSL	1,68,970.00
Supermicro Storage X11DPI-NTC621 Server Board	6,75,000.00
Desktop AMD RYZEN9-5950X, 128GB Ram, 1 TB M2, 4 TB HDD, RTX A4000 Graphic Card 10 Giga Lan Card	1,25,00,000.00
Core I9, 13900K, 128 GB RAM, 1 TB M2 Samsung 2 TB M2, RTX A4000 Graphic Card, Powercode	2,27,881.00
Storage Lapstor IPO336B Storage Intel Xeon 12 Core	50,00,000.00
AMD Ryzen 9 7950X Processor Asus X670-E Motherboard	13,71,949.00
BMD Davinci Resolve Advanced Panel	30,00,000.00
BMD Davinci Resolve Advanced Panel	30,00,000.00
SSD And Storage Devices	2,800.00
HP Xeon Dual E5-2696V4, 256 GB Ram, 1 TB M2, RTX A5000 Graphic Card Powercode	1,00,56,000.00
Acer Aspire Lite 12th Gen Interl Core Laptop	27,110.16
HP Z8 G4 Workstation Xeon Processor 1TB NVME	2,59,093.00
Black Magic UL Trastudio 4K Mini	98,500.00
AMD Ryzen 9 7950X Processor Asus X670-E Motherboard	7,91,588.00
Mac Mini M2 Chip 8 Core 8 GB Ram 256 GB SSD + 10 Gigabit Ethernet	54,498.00
DELLR720 Server Harddisk 4TB X3 Ram 128 98GB-SD 160	75,000.00
I5-13400F 13TH Gen, Giga Byte	1,74,000.00
27" LG 27UP850 Monitor 4K IPS Type-C	59,660.00
Projector	5,52,091.00
WD 12 TB Sata Ultra Star Data center Hard HDD	24,500.00
HP Z8 G4WS Intel Xeon Gold 6154*2NOS, 1 TB M2, NVME SSD/HP PCI-E-NVME, Dual Port Card	3,50,000.00
HP Z8 G4WS Intel Xeon Gold 6154*2NOS, 1 TB M2, NVME SSD/HP PCI-E-NVME, Dual Port Card	(16,000.00)
Storage Stardom Nas Iron 16 TB * 37 HDD, 256 GB Ram Powercode	10,00,000.00
HP Z8 G4 Workstation	1,67,000.00
Laptop Lonova, Asus, Acer, Dell, HP & Lava	23,87,800.00
Laptop Dell, HP, Asus & Lenova	16,12,500.00
Apple Pro Imac Mini	99,800.00
Mac Book Air	76,500.00
Ipad Pro	5,51,977.00
Storage Stardom Nas Iron 16 TB * 37 HDD, 256 GB Ram Powercode	50,00,000.00
Acer Aspire 3 Interl Core Laptop	25,503.38
Acer Aspire 3 Interl Core Laptop	25,503.38
Apple Pro Imac Mini	10,79,988.00
Lenova V14 Interl Core Laptop	23,644.06
Lenova V14 Interl Core Laptop	23,644.06
Apple Pro Imac Mini	11,69,987.00
Storage Stardom Nas Iron 16 TB * 37 HDD, 256 GB Ram Powercode	50,00,000.00
Lenova Laptop	47,457.62
Eizo Monitor CG3146-EDBK	22,60,000.00
3480 GB SSD Micron	1,50,000.00
BMD Decklink Studio 4K	44,975.00
Eizo Monitor CG2700X	2,40,000.00
Wacom Tablet	45,000.00
BMD Decklink Studio 4K	44,975.00

Keyboard Mouse Set	3,250.00
Extender	34,500.00
Hikvision 5mp Bullet Camera	4,580.00
WD Ultra star Data Center 18TB HDD	25,000.00
Graphic Card	1,52,500.00
CCTV Camera ir Dome	1,300.00
PCI Graphic Cards	3,050.00
Lacie D2 Professional 10TB Portable HDD	28,601.69
Dell N4032 Switch 24 Port 10G Copper Ports	1,25,000.00
Dell Force Switch 10 S4820T 48 Port 10G Copper+40	2,25,000.00
Dell Server	60,000.00
HP Z8 G4 Wokstation	1,70,000.00
Core I9-11900K With Giga 560 M/B 64 GB Ram, 512 GB M2+RTX 3060 Graphic Card	1,12,000.00
Asrock WRX 80 Creator	83,000.00
SMPS Corsair RM 1000 X	14,500.00
AMD Ryzen Threadripper Pro 5975WX Processor	10,36,000.00
BMD Davinci Resolve Advanced Panel	21,50,000.00
Intel Core i9-13900K with Gigabyte Z790	1,62,034.00
Benq 32" EW3270U Monitor	22,669.00
Charger	2,965.25
Others (Furniture & Office Equipment)	67,78,236.55
TOTAL	7,68,31,000.00

COMPARISON OF FINANCIAL YEAR ENDED 2023 TO FINANCIAL YEAR ENDED 2022

Increase in total income from FY 2022 to FY 2023.

Background and Strategic Decisions

In the fiscal year 2023, the company's promoters, recognizing the potential and demand in running a full-fledged post production facility, decided to venture into this high-margin business of offering comprehensive post production services

Market Research and Insights

To validate the expansion, The company engaged with clients, suppliers, technicians, agencies, and industry stakeholders to gain valuable insights. Leveraging promoter's expertise and experience of the industry facilitated a deeper understanding of project execution. This collective knowledge led to the identification of the four critical areas essential to the post-production industry

Hardware (including high-end computers, projectors, and high-definition screens),

Software (encompassing graphic design, editing software, and VFX tools),

Production Facilities (comprising online studio suites, offline studio suites, colour grading theatre),

Skilled Team of creative technicians and professionals specializing in various advertisement segments such as beauty, automotive, jewellery, and fashion.

To ensure top-tier output, the company strategically hired specialized technicians for each advertisement segment and invested in a range of hardware and software solutions to deliver premium quality services."

Implementation and Growth

During FY 2023, the company reinforced its operations by securing capital through Overdraft Facilities from banks and personal investments from promoters. These funds, totalling Rs. 247.20 lakhs, were primarily allocated to infrastructure enhancements and meeting ongoing working capital requirements.

A significant achievement was the establishment of a comprehensive production facility with best in class online and offline edit suites, all seamlessly integrated into a centralized storage system. This strategic upgrade significantly contributed to the company's operational efficiency and service delivery capabilities.

Throughout the fiscal year, the company successfully executed 204 projects for 90 clients, driven by a dedicated workforce of 79 professionals. Notably, the company logged 39,054 hours of online editing, averaging Rs. 2,500 per hour, and 10,848 hours of offline editing, averaging Rs. 1,000 per hour.

Additionally, the company invested Rs. 56.73 lakhs in promotional activities, such as advertising campaigns, social media initiatives, and business promotion events. These efforts were pivotal in enhancing brand visibility and expanding our market reach.

Overall, FY 2023 marked a period of substantial growth and strategic investments for the company, positioning it strongly for future expansion and success.

Financial Summary

Particulars	Hours	Hourly Rate	Total (Rs.)
Online Editing Suite	39,054	2500	9,76,35,267
Offline Editing Suite	10,848	1000	1,08,48,363
Total	49,902		10,84,83,630

Revenue-Generating Team Structure in FY23

Particulars	No of People
Online Editors	18
Offline Editors	2
Marketing	3
Management	3
Total	26

Clients Served in FY 2022 and FY 2023

Particulars	FY 2022	FY 2023
Client Served	2	90
Number of Client given Repeat Orders from	2	36
Repeat Orders Executed	10	150
Total Projects Executed	12	204
Revenue From Existing Customers	-	Rs. 230.00 lakhs
Revenue From New Customers	Rs. 29.00 lakhs	Rs. 854.84 lakhs

List of Equipments purchased by the Company for FY 2022-23

Description	Amount
Battery 12V 26AH Exide	75,200.00
Flame 2023 Commercial New Single - User ELD Annual Subscription	12,05,000.01
Autodesk moke Slim Line Linux Keyboard	76,500.00
Ajalona Pcle Video I/O Card	7,50,000.00
K3G-Box	1,50,000.00
13866-Wacom Tablet	19,067.80
Sandisk 1TB SSD Ext Pro E 81 2000MBIS	16,101.74
DVR, Camera, Hard Disk, Power Supply, BNC Connerctor etc	13,370.00
Eaton DXRT 20KVA UPS	1,73,500.00
Motherboard, CPU, Hard Disk, Cabinet, Display Card etc	33,800.00
Big Knob Passive	47,250.00
Dell Server	45,000.00
Dell Server	70,000.00
Dell Monitor	39,000.00
18.5" Screen	2,500.00

Switch 48 Port	1,31,500.00
Wacom Tablet	30,000.00
HP Z840 Workstation	6,10,000.00
Desktop	60,000.00
Laptop	48,091.09
Table Top Mounted Speaker Stand	63,000.00
Raid Card	30,000.00
Yamaha HS5 Speaker	57,000.00
Wacom Tablet	24,500.00
Controller Card	45,000.00
Sonnet ECHO Express Se LLE Thunderbolt Expansion	42,500.00
BMD Micro Converter SDI to HDMI 12G	12,000.00
Apple iMac	97,500.00
Dell Monitor	57,628.00
I Mac	1,37,212.00
I Mac	1,37,212.00
Eizo Monitor EV2785-EDBK	2,40,000.00
Yamaha HS5 Speaker	1,20,000.00
Big Knob Passive Studio Monitor Controller	15,750.00
Eizo Monitor CG2700S	1,89,000.00
BMD Decklink Studio 4K	1,34,946.00
Table Top Mounted Speaker Stand	26,400.00
Dell Monitor 27 inch	1,03,500.00
Apple Magic Keyboard	9,534.00
Ultra Studio	8,644.09
Coore I9-10850K, 64 GB Ram, 1 TB M2, RTX 3060 Graphic Card & 27" Dell LCD	1,30,000.00
Yamaha HS5 Speaker	27,966.00
Mac Mini with Monitor, Keyboard & Mouse etc	66,822.22
Mac Mini Apple M2 Chip	90,865.24
Mac Mini Apple M2	70,853.59
Dell Monitor	38,559.43
Others (Furniture & Office Equipment)	29,52,726.79
TOTAL	85,25,000.00

Thus, based of all these factors the company generated revenue of Rs. 1,084.84 lakhs in financial year 2023.

Decrease in PAT margin from FY 2022 to FY 2023.

In FY22, the company focused solely on consultancy services in post-production supervision, supervising 12 projects with a high margin of 74%. However, in FY23, the company expanded significantly by establishing a full-fledged post-production facility. Here are the key points contributing to the drop in profit margin despite an increase in absolute terms of Profit After Tax (PAT):

Expansion Costs:

Leasing and Equipment Expenditure: The company incurred Rs. 223.77 lakhs on renting and leasing office space and equipment. This initial investment is substantial and impacted FY23 expenses heavily.

Operational Expenses:

Contractual Expenditure: To execute projects in online and offline studio suites, the company spent Rs. 514.70 lakhs on hiring consultants, technicians, and professionals. This expense was crucial for operational execution.

Employee Benefit Costs: With the expansion, dedicated workforce hiring increased costs, totalling Rs. 40.49 lakhs for employee benefits across various departments.

Marketing and Promotions:

Business Promotions: The company spent Rs. 56.73 lakhs on heavy advertising, business promotions, and events to establish its presence and attract new clients in a competitive market.

Competitive Pricing Strategy:

Lower Profit Margins: To gain market share and compete effectively, the company adopted a strategy of competitive pricing, resulting in lower profit margins. The standard PAT margin in this sector ranges from 10% to 15%, and the company aimed to capture business at lower margins initially.

Fixed Asset Investment

Purchase of Equipment: Company acquired fixed assets worth Rs. 70.17 Lakhs. This investment laid the foundation for company growth.

Despite these factors leading to a reduced profit margin of 5.53% in FY23 compared to 74.79% in FY22, the absolute PAT increased significantly from Rs. 21.69 lakhs to Rs. 59.97 lakhs. This increase in absolute terms reflects the company's successful revenue generation and business expansion efforts, albeit at lower profitability per project.

In summary, while the initial phase of expansion involved substantial costs and lower margins due to competitive pricing, the company successfully boosted its overall profitability and established a strong operational base for future growth in the post-production services market.

High PAT margin in FY 2022.

In the Financial Year 2022, the company operated by consulting and providing supervisory services, both remotely and at client locations. Despite managing with a lean team of 2 members, the company successfully executed 12 projects, generating a total revenue of Rs. 29.00 Lakhs.

Here's a breakdown of the financial performance:

Total Revenue: Rs. 29.00 Lakhs

Employee Benefit Expenses: Rs. 7.00 Lakhs

Other Expenses: Rs. 0.31 Lakhs

Profit After Tax (PAT): Rs. 21.69 Lakhs

PAT Margin: 74.79%

Key Points:

- The company's low-cost operational model allowed it to achieve a high PAT margin of 74.79%, indicating efficient cost management and profitability.
- Despite the modest revenue of Rs. 29.00 Lakhs, the company's profitability was substantial, showcasing its effective project execution and cost controls.
- The focus on consultancy and supervisory for Post Production services likely contributed to the high profitability, as these services often have lower associated costs compared to full-scale production services.
- Overall, the Financial Year 2022 was marked by impressive financial performance, driven by effective service delivery and prudent financial management.