

# Basilic Fly Studios (NSE: BASILIC)

## Real Business performance or Balance Sheet Dressing?

Is this a Satyam 2.0 in the making?

### #BasilicGate #Satyam2.0

Basilic Fly Studios looks very dangerous for investors. The NSE-listed company shows profits and margins shooting up exactly when it raised money (IPO) and again when it plans a ₹100-crore QIP. The pattern, plus “profit windowing”, inter company invoicing to increase revenue and shifting items into “other current assets/contract assets”, can make results look better than the reality. Considering profits based on a note by the auditor and not real financial results. Please treat this as red-flag concerns that need urgent, independent checks to safeguard thousands of innocent retail investors.

### Key points (simple and factual):

- **Profits magically skyrocketed in the year of going to IPO.**  
PBT moved from ~₹0.53 cr (FY20–21) to ~₹1.33 cr (FY21–22), then magically spiked to ~₹37.5 cr in FY22–23 (IPO year) — **about 28× year-on-year**. PBT/Revenue leapt from ~3–5% to ~48% in the year of them going for an IPO. Was this done to inflate market cap for better valuation for IPO?
- **FY23–24 was revised up after results.**  
Initial numbers were flat; days later full-year PAT was raised by ~₹9 cr to ~₹36.19 cr, called an “accounting error”. Such last-minute jumps deserve explanation and evidence.

### More red flags in FY2024-25 financials (pure balance sheet dressing):

- **Losses of acquired subsidiaries magically turned to profit overnight after the deal.**  
**Jan–Jul’24 showed heavy losses** at the acquired UK and Paris VFX subsidiaries of Basilic Fly; **Aug–Mar’25 suddenly shows massive profits**, including an **unusually high ~27.5% margin** at the Paris arm. How did 7 months of big losses flip to 8 months of massive profits so fast? It is extremely unlikely that a massive loss can flip to massive profits in such a short time after acquisition.
- **Profit windowing in FY2024–25.**  
Basilic Fly Studios consolidated financials highlights **only Aug–Mar’25 of subsidiaries as a highly profitable period** in the consolidated story, while the **full 15-month filings show losses** for those units. Is this selective windowing making FY25 of Basilic Fly look better? While the subsidiaries declared losses, Basilic Fly Studios choose a window to show the period as a profit. The question here is whether this period of profit is audited or

just conveniently mentioned as profit? This profit is not based on audited financials but just a note by their UK auditor.

- **Inter-Company Invoicing:** A note by the auditor of One of Us Paris (Mar'25 results) in the last paragraph of the audit report (on the last page) says

**Convention de prestation de services entre la société ONE OF US LIMITED et ONE OF US PARIS**

*Suivant la convention de prestation de services, en date du 27 mars 2024 avec effet au 28 juin 2021, la société ONE OF US LIMITED a facturé à notre société, au cours de l'exercice ouvert le 1er Janvier 2024 et clos le 31 mars 2025, un montant de 4 180 813,90 euros.*

**The above translated in English:**

**Service Agreement between ONE OF US LIMITED and ONE OF US PARIS**

Pursuant to the service agreement dated March 27, 2024, effective June 28, 2021, ONE OF US LIMITED invoiced our company, during the fiscal year beginning January 1, 2024 and ending March 31, 2025, an amount of €4,180,813.90.

**€4,180,813.90 is Rs. 43 crores**

For what did One of Us UK invoice One of Us Paris Rs. 43 crores? Was this done to inflate revenue at One of Us UK? Is this real revenue?

- **Big intercompany balance with no details.**  
₹34.11 cr “Amounts owed by group undertakings” at OOU UK. This collaborates with the above. OOU UK invoices OOU Paris and shows that as intercompany Debtors. BFS conveniently leaves this out in consolidated Trade Receivables in their financials.
- **UK Auditor adding note for Financials not audited by them:** Their UK auditor inserting a note in a loss balance sheet that a 8 month window from the loss balance sheet is actually a profit for their UK and Paris subsidiaries. Also, on what grounds was the make believe profit of Paris subsidiary included in this note since the Paris subsidiary was audited by another firm and financials of Paris subsidiary are not included in the UK subsidiary financials? Does the UK auditor have a right to mention profits of another company which is not audited by them? Why is this note missing from the audited balance sheet of OOU Paris? Seems their Paris Auditor was not ready to mislead people and their UK auditor was. **Is this note by the UK auditor purely to mislead investors of Basilic Fly Studios and to show profits that are actually not there? Can a company claim profits on a loss making balance sheet purely on the basis of a note in the audited financials?**
- **Cross Border Tax Evasion:** UK and Paris subsidiaries of Basilic Fly Studios will not pay any income tax since their financials for FY25 is actually loss making. Basilic Fly

Studios through profit windowing has added Rs. 28 crores in profits from their foreign subsidiaries to their consolidated financials. But as per law, tax for each company is paid in their respective country. So Basilic Fly will not pay any income tax on this profit of Rs. 28 crores which they have shown in their consolidated financials. **This is the perfect Tax Evasion.** Profits of Rs. 28 crores but no one pays any income tax on this. Can a company claim profit for an amount for which no tax has been paid. What is the purpose of profit after tax in audited financials when no tax has been paid on the profit. Hence is this real profit?

- **Receivables moved out of sight.**

Signs that **Paris customer dues** were shown under **“Other Current Assets”** instead of **“Trade Receivables” in the Financials of Basilic Fly Studios**—this can make receivable risk look lower than it really is. Another major Red Flag.

- **Why all this matters now.**

The company has announced a ₹100-crore QIP. If numbers are “dressed”, fresh investors and existing retail holders carry the risk. **Thousands of retail investors can lose their life savings in this Scam.**

## Snapshot of Financials of Basilic Fly Studios

Year	Total income (₹ cr)	PAT (₹ cr)	PAT margin %	Trade receivables (₹ cr)
FY2021-22	25.29	0.9	3.56%	2.61
FY2022-23	78.95	27.74	35.14%	15.17
FY2023-24	105.79	36.53	34.53%	53.1
FY2024-25	306.07	36.56	11.94%	77.54

**Continued on next page...**

## Snapshot of Financials of One of Us UK (OOU UK) and One of Us Paris (OOU Paris) - subsidiaries of NSE listed Basilic Fly Studios, India

Periods: Jan-Dec'22, Jan-Dec'23 and Jan'24-Mar'25. Basilic Fly Studios extended the reporting period for Jan-Dec'24 by 3 months and hence this period is now a 15 month period from Jan'24 to Mar'25 for both OOU UK and OOU Paris

### One of Us UK and One of Us Paris converted to ₹ crores

Period / Metric	One Of Us UK	One Of Us Paris
<b>Jan-Dec 2022</b>		
Revenue (Jan–Dec 2022)	276.1	71.2
P/L (Jan–Dec 2022)	5.3	–6.6
<b>Margin % (Jan–Dec 2022)</b>	<b>1.90%</b>	<b>–9.20%</b>
<b>Jan-Dec 2023</b>		
Revenue (Jan–Dec 2023)	234.6	117.9
P/L (Jan–Dec 2023)	–33.0	0.9
<b>Margin % (Jan–Dec 2023)</b>	<b>–14.10%</b>	<b>0.70%</b>
<b>Jan'24-Mar'25 (15 month period) (The actual loss making financials)</b>		
Revenue (Jan'24–Mar'25)	216.2	148.3
P/L (Jan'24–Mar'25)	–25.3	–1.7
<b>Margin % (Jan'24–Mar'25)</b>	<b>–11.70%</b>	<b>–1.10%</b>
<b>Jan'24-Jul'24 (7 month period)</b>		
Revenue (Jan–Jul'24)	70	26.5
P/L (Jan–Jul'24)	–36.5	–15.5
<b>Margin % (Jan–Jul'24)</b>	<b>–52.20%</b>	<b>–58.30%</b>
<b>Aug'24-Mar'25 (8 month period)</b>		
Revenue (Aug'24–Mar'25)	146.2	80.3
P/L (Aug'24–Mar'25)	6.1	22.1
<b>Margin % (Aug'24–Mar'25)</b>	<b>4.20%</b>	<b>27.50%</b>

FY22–FY23 and Jan'24–Mar'25 are statutory (net profit/loss). Jan–Jul'24 and Aug–Mar'25 P/L are **Adjusted EBIT**, not PAT.

While the entire VFX industry was in losses due to the effects of the Hollywood Strikes till Mar'25 / Apr'25, with several VFX studios in USA and UK declaring bankruptcy, **what magic wand did Basilic Fly Studios use to suddenly turn heavy loss making subsidiaries One of Us UK and One of Us**

**Paris into super high profitability.** This is pure balance-sheet dressing and profit windowing that could mislead investors.

The declared loss results of One of Us UK and One of Us Paris for the 15 month period from Jan'24-Mar'25 align with the state of the industry. **But Basilic Fly Studios has conveniently shown this as a profit in their books in India, by selective windowing, thereby inflating their profits and market cap which is very dangerous for investors.**

### Observations

- **FY22:** OOU UK was profitable (+₹5.3 cr), while OOU Paris lost money (–₹6.6 cr).
- **FY23:** Both struggled, with UK deep in the red (–₹33.0 cr), while Paris posted only a marginal profit (+₹0.9 cr).
- **FY25 (15m statutory):** Both UK and Paris again reported losses.
- **Jan–Jul'24:** Very heavy losses at both entities (–52% to –58% margin).
- **Aug–Mar'25:** Both flipped to profit, with **Paris showing +27% margin**, an unheard-of level in VFX— an extraordinary outlier versus peers, especially when most of the global VFX industry was still struggling.

**With most UK VFX studios in losses and 2 major UK VFX studios (Axis Studios and Jellyfish) declaring bankruptcy in the period Jul'24 to Mar'25, did OOU UK and OOU Paris really make profits in the period Aug'24 to Mar'25.**

**Here are 8 must-ask questions for Basilic Fly Studios. Each addresses the alleged “window-dressing” in the financials of BFS using OOU UK & OOU Paris results.**

1. Who paid tax on the profits shown in the consolidated financials of Basilic Fly Studios? Is this the perfect Tax evasion? Rs. 28 crores in profits and no one paid any income tax on this.
2. How did losses (Jan–Jul'24) flip to profit (Aug–Mar'25) right after acquisition—especially the ~27.5% margin at OOU Paris? What changed in pricing, utilisation, costs, or one-offs?  
*Please provide: Monthly P&Ls (Jan'24–Mar'25) for OOU UK & Paris, utilisation reports, and client/job margin summaries.*
3. Show the full bridge from “Adjusted EBIT” to audited PAT for Aug–Mar'25 (entity-wise).  
What items were excluded (transaction costs, FX, impairments, restructuring, capitalization)?

*Please provide: Aug–Mar reconciliation (EBIT→PBT→PAT), with journal listings and supporting invoices.*

4. Did you reclassify OOU Paris customer dues into “Other Current Assets” instead of “Trade Receivables,” lowering the TR line in consolidation?

*Please provide: Customer-level mapping from Paris/UK ledgers to consolidated lines; AR ageing; tie-outs to cash collected Apr–Jun’25.*

5. Is Aug’24–Mar’25 revenue primarily billed sales—or work-in-progress/unbilled (contract assets)?

*Please provide: Job-wise evidence (PO/SOW, milestone sign-offs, invoices), unbilled→billed roll-forward, and cash receipts after year-end.*

6. Break down the ₹34.11 cr “Amounts owed by group undertakings” at OOU-UK. Is this invoicing done by OOU UK to OOU Paris to inflate revenue at OOU UK? Is this amount considered as expenses in OOU Paris?
7. What was the Rs. 43 crores invoicing between OOU UK and OOU Paris for?
8. With what authority did OOU UK auditor mention profit of OOU Paris as a note in OOU UK audited financials since they did not audit OOU Paris financials and OOU Paris is a loss making financials. Also OOU Paris financials does not mention any such note of it being profitable. So what made OOU UK auditor add this note for profitability of OOU Paris in OOU UK financials?

**Bottom line: Are Basilic Fly Studios FY24–25 numbers “dressed” to inflate market cap for the ₹100-crore QIP? Until these answers are public and verified, retail investors face real danger.**

**#BaslicGate #Satyam2.0**